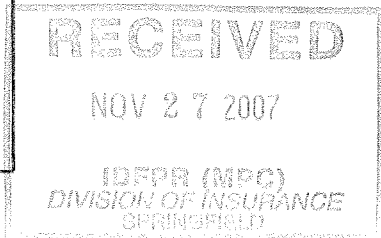
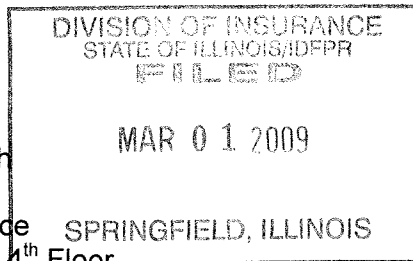




**American International Companies®**  
DBG Legal Services  
State Filings Department  
175 Water Street, 17th Floor  
New York, NY 10038  
212.458. (Direct Dial)

November 14, 2007

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Insurance  
320 West Washington Street, 4<sup>th</sup> Floor  
Springfield, Illinois 62767-0001  
Attn: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit



**RE: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.**  
NAIC #012-19445, FEIN #25-0687550 ✓  
Psychiatrists Professional Liability Program  
Rates  
Our File Number: AIC-07-EO-15

Dear Mr. Gatlin:

National Union Fire Insurance Company of Pittsburgh, Pa. (the "Company") has on file with your Department its Psychiatrists Professional Liability Program (the "Program"). The Company submits, for your review and approval, its rates to be used with this Program. Please be advised that this filing replaces the rates currently on file with your Department.

In addition, we are revising our manual rules for this Program. Please refer to the attached actuarial materials, and company manual for information about the rates and rules included in this submission.

This program will provide professional liability coverage to members of the Psychiatrist's Purchasing Group, Inc.

We wish to make this filing effective for all policies effective on or after December 20, 2007, or the earliest date permitted by your Department.

Your favorable consideration and approval are respectfully requested.

Sincerely,

*Myron Harry*

Myron Harry  
Filings Analyst  
State Filings Department  
Direct dial (212) 458-7057  
Fax No.: (212) 458-7077  
[myron.harry@aig.com](mailto:myron.harry@aig.com)

-5.5%

*LO MEM RAT gln Jch*

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 12/20/07

| (1)  | (2)                                  | (3)                          |
|--|--------------------------------------|------------------------------|
| Coverage   | Annual Premium<br>Volume (Illinois)* | Percent<br>Change (+ or -)** |
| 1. Automobile Liability<br>Private Passenger<br>Commercial       |                                      |                              |
| 2. Automobile Physical Damage<br>Private Passenger<br>Commercial |                                      |                              |
| 3. Liability Other Than Auto                                     | \$3,342,225                          | -5.5                         |
| 4. Burglary and Theft  |                                      |                              |
| 5. Glass   |                                      |                              |
| 6. Fidelity  |                                      |                              |
| 7. Surety  |                                      |                              |
| 8. Boiler and Machinery  |                                      |                              |
| 9. Fire  |                                      |                              |
| 10. Extended Coverage  |                                      |                              |
| 11. Inland Marine  |                                      |                              |
| 12. Homeowners   |                                      |                              |
| 13. Commercial Multi-Peril                                       |                                      |                              |
| 14. Crop Hail  |                                      |                              |
| 15. Other  |                                      |                              |
| Line of Insurance  |                                      |                              |

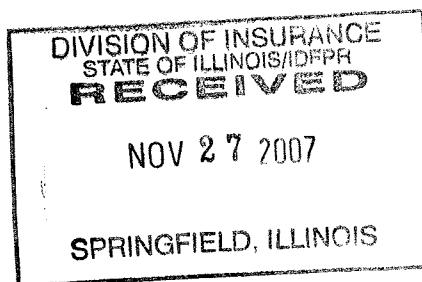
Does filing only apply to certain territory (territories) or certain classes? If so, specify:

This filing applies to all territories

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

This filing proposes a rate and rule revision to its Psychiatrists Professional Liability Program.

\* Adjusted to reflect all prior rate changes.

\*\* Change in Company's premium level which will  
result from application of new rates.National Union Fire Insurance  
Company of Pittsburgh, Pa.

Name of Company

Myron Harry - Filings Analyst  
Official - Title

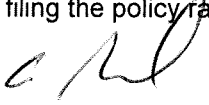
filing# AIC-07-EO-15

## ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES


(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Adam C. Reed, a duly authorized officer of National Union Fire Insurance Company of Pittsburgh, Pa., am authorized to certify on behalf of the Company making this filing that, to the best of my knowledge and belief, all documents contained herein comply with the Illinois laws, regulations and bulletins applicable to this filing.

I, Peter McNamara, a duly authorized actuary of National Union Fire Insurance Company of Pittsburgh, Pa., am authorized to certify on behalf of National Union Fire Insurance Company of Pittsburgh, Pa., making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the Illinois laws, regulations and bulletins applicable to this filing the policy rates that are the subject of this filing.

  
Assistant Vice President  
Signature and Title of Authorized Insurance Company Officer

11/14/07  
Date

  
Assistant Actuary  
Signature, Title and Designation of Authorized Actuary

11/15/07  
Date

Insurance Company FEIN 25-0687550

Filing Number AIC-07-EO-15

Insurer's Address 70 Pine Street

City New York State New York Zip Code 10270

Contact Person's:

-Name and E-mail Myron Harry myron.harry@aig.com

-Direct Telephone and Fax Number (212) 458-7057 (212) 458-7077

**Neuman, Gayle**

---

**From:** Neuman, Gayle  
**Sent:** Tuesday, March 10, 2009 10:10 AM  
**To:** 'Harry, Myron'  
**Subject:** RE: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-07-EO-15

M. Harry,

I will stamp the filing as "filed" on March 1, 2009. I will send you back your stamped copy.

Gayle Neuman  
Division of Insurance

---

**From:** Harry, Myron [mailto:Myron.Harry@AIG.com]  
**Sent:** Tuesday, March 10, 2009 9:57 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-07-EO-15

Ms. Neuman,

This filing has not been utilized. Can we have a March 1, 2009 effective date. Thank you.

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, March 10, 2009 10:18 AM  
**To:** Harry, Myron  
**Subject:** FW: National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-07-EO-15

M. Harry,

No response has been received to the attached e-mail. Please respond at your earliest convenience.

Gayle Neuman  
Division of Insurance

---

**From:** Neuman, Gayle  
**Sent:** Thursday, March 05, 2009 11:08 AM  
**To:** 'Harry, Myron'  
**Subject:** National Union Fire Ins Co of Pittsburgh, PA - Rate/Rule Filing #AIC-07-EO-15

Mr. Harry,

The review of the above referenced submission is now complete and it can be stamped as "filed". Did you utilize the filing as of December 20, 2007? Or do you want to use a different effective date? Please advise.

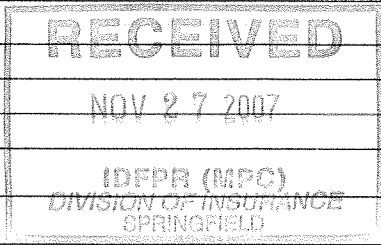
Gayle Neuman  
Property & Casualty Compliance, Division of Insurance  
Illinois Department of Financial & Professional Regulation  
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Division's website at idfpr.com.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

3/10/2009

## Property &amp; Casualty Transmittal Document

|   |   |  |   |  |
|---|---|--|---|--|
| <b>1. Reserved for Insurance Dept. Use Only</b> | <b>2. Insurance Department Use only</b> |  |   |  |
|   | a. Date the filing is received:         |  |   |  |
|   | b. Analyst:                             |  |   |  |
|   | c. Disposition:                         |  |   |  |
|   | d. Date of disposition of the filing:   |  |   |  |
|   | e. Effective date of filing:            |  |   |  |
|   | New Business                            |  |  |  |
|   | Renewal Business                        |  |   |  |
|   | f. State Filing #:                      |  |   |  |
| g. SERFF Filing #:                              |   |  |   |  |
| h. Subject Codes                                |   |  |   |  |

|  |                 |               |               |                |                     |
|--|-----------------|---------------|---------------|----------------|---------------------|
| <b>3. Group Name</b>                                     |                 |               |               |                | <b>Group NAIC #</b> |
|  |                 |               |               |                |                     |
| <b>4. Company Name(s)</b>                                | <b>Domicile</b> | <b>NAIC #</b> | <b>FEIN #</b> | <b>State #</b> |                     |
| National Union Fire Insurance Company of Pittsburgh, Pa. | PA              | 19445         | 25-0687550    |                |                     |
|  |                 |               |               |                |                     |
|  |                 |               |               |                |                     |
|  |                 |               |               |                |                     |
|  |                 |               |               |                |                     |

|                                   |              |
|-----------------------------------|--------------|
| <b>5. Company Tracking Number</b> | AIC-07-EO-15 |
|-----------------------------------|--------------|

## Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

|  |                 |                     |                |                     |
|--|-----------------|---------------------|----------------|---------------------|
| <b>6. Name and address</b>                             | <b>Title</b>    | <b>Telephone #s</b> | <b>FAX #</b>   | <b>e-mail</b>       |
| Myron Harry<br>175 Water Street, New York, NY<br>10038 | Filings Analyst | (212) 458 7057      | (212) 458 7077 | myron.harry@aig.com |
|  |                 |                     |                |                     |
| <b>7. Signature of authorized filer</b>                |                 |                     |                |                     |
| <b>8. Please print name of authorized filer</b>        |                 | Myron Harry         |                |                     |

## Filing information (see General Instructions for descriptions of these fields)

|   |  |                   |          |                   |
|---|--|-------------------|----------|-------------------|
| <b>9. Type of Insurance (TOI)</b>   | 11.0 Med Mal – Claims Made and Occurrence  |                   |          |                   |
| <b>10. Sub-Type of Insurance (Sub-TOI)</b>  | 11.0026 Psychiatry   |                   |          |                   |
| <b>11. State Specific Product code(s)(if applicable)[See State Specific Requirements]</b> |  |                   |          |                   |
| <b>12. Company Program Title (Marketing title)</b>  |  |                   |          |                   |
| <b>13. Filing Type</b>  | <input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules<br><input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms<br><input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |                   |          |                   |
| <b>14. Effective Date(s) Requested</b>  | New:   | December 20, 2007 | Renewal: | December 20, 2007 |
| <b>15. Reference Filing?</b>  | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |                   |          |                   |
| <b>16. Reference Organization (if applicable)</b>   |  |                   |          |                   |
| <b>17. Reference Organization # &amp; Title</b>   |  |                   |          |                   |
| <b>18. Company's Date of Filing</b>   | November 14, 2007  |                   |          |                   |
| <b>19. Status of filing in domicile</b>   | <input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved  |                   |          |                   |

## Property & Casualty Transmittal Document—

|            |  |              |
|------------|--|--------------|
| <b>20.</b> | <b>This filing transmittal is part of Company Tracking #</b> | AIC-07-EO-15 |
|------------|--|--------------|

|            |  |
|------------|--|
| <b>21.</b> | <b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] |
|------------|--|

The Company listed in item 4 above submits for your review and approval its proposed base rate change, and revised manual rules.

Please refer to the attached explanatory memorandum and actuarial materials for information about this filing.

|            |   |
|------------|---|
| <b>22.</b> | <b>Filing Fees</b> (Filer must provide check # and fee amount if applicable)<br>[If a state requires you to show how you calculated your filing fees, place that calculation below] |
|------------|---|

**Check #:**  
**Amount:**

**Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.**

**\*\*\*Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

**RATE/RULE FILING SCHEDULE**

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1. This filing transmittal is part of Company Tracking # AIC-07-EO-15

2. This filing corresponds to form filing number  
(Company tracking number of form filing, if applicable)

☐ Rate Increase ☒ Rate Decrease ☐ Rate Neutral (0%)

3. Filing Method (Prior Approval, File & Use, Flex Band, etc.)

4a. Rate Change by Company (As Proposed)

| Company Name   | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|--|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| National Union Fire Insurance Company of Pittsburgh, Pa. | -5.5%  | -5.5%                 | -\$174,980                              | 157  | \$3,181,451                      | -5.5%                             | -5.5%                             |
|  |  |                       |   |  |                                  |                                   |                                   |

4b. Rate Change by Company (As Accepted) For State Use Only

| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|--------------|--|-----------------------|---|--|----------------------------------|------------------|------------------|
|              |  |                       |   |  |                                  |                  |                  |
|              |  |                       |   |  |                                  |                  |                  |

5. Overall Rate Information (Complete for Multiple Company Filings only)

|    |   | COMPANY USE | STATE USE |
|----|---|-------------|-----------|
| 5a | Overall percentage rate indication (when applicable)            |             |           |
| 5b | Overall percentage rate impact for this filing                  |             |           |
| 5c | Effect of Rate Filing – Written premium change for this program |             |           |
| 5d | Effect of Rate Filing – Number of policyholders affected        |             |           |

6. Overall percentage of last rate revision 10%

7. Effective Date of last rate revision August 1, 2004

8. Filing Method of Last filing  
(Prior Approval, File & Use, Flex Band, etc.)

| 9. | Rule # or Page # Submitted for Review | Replacement or withdrawn?                   | Previous state filing number, if required by state |
|----|---------------------------------------|---|--|
| 01 | Manual Rules #2 and Rate Page -1      | [ ] New<br>[x] Replacement<br>[ ] Withdrawn |  |
| 02 |                                       | [ ] New<br>[ ] Replacement<br>[ ] Withdrawn |  |
| 03 |                                       | [ ] New<br>[ ] Replacement<br>[ ] Withdrawn |  |

Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                             |
|----------------|-----------------------------|
| <b>Rule 1.</b> | <b>Rating Profile Items</b> |
|----------------|-----------------------------|

A member may receive the FYIP, SYIP, TYIP (&/or MILITARY) only once. The discount applies to the first (second or third) year immediately following the completion of residency or fellowship, regardless of interruption of time.

A member may receive the MIT discount more than once. The requirement is that the member is eligible for the MIT so long as the APA has reclassified his/her membership status accordingly.

If both an active part-time credit and an active F,S, TYIP credit are among the rating profile items, the higher credit of the two shall apply.

MIT credit cannot be combined with a part-time credit.

The current listing of Rating Profile Items (Program discounts, surcharges, credits & debits), is as follows:

|   |                              |           |
|---|------------------------------|-----------|
| <b>Neurology</b>  | 2x Psychiatrist Base Premium |           |
| <b>Neurology with Special Procedures</b>  | 4x Psychiatrist Base Premium |           |
| <b>Child &amp; Adolescent Psychiatry (C&amp;AP)</b>   | 15% Premium Discount         |           |
| <b>Early Career Psychiatrists (includes military)<br/>Occurrence, Modified Occurrence and Claims-made<br/>Pre-Paid Tail Policies only</b> | <b>FYIP</b>                  | 60%Credit |
|   | <b>SYIP</b>                  | 40%Credit |
|   | <b>TYIP</b>                  | 35%Credit |
| <b>Early Career Psychiatrists (includes military)<br/>Claims-Made Policies only</b>   | <b>FYIP</b>                  | 50%Credit |
|   | <b>SYIP</b>                  | 25%Credit |
|   | <b>TYIP</b>                  | 25%Credit |
| <b>Member in Training (MIT)</b>   | 50%Credit                    |           |
| <b>Part-Time Practice</b>   | 1-10 Hours                   | 50%Credit |
|   | 11-15Hours                   | 40%Credit |
|   | 16-20Hours                   | 30%Credit |
| <b>Experience &amp; Schedule Rating Program</b>   | See separate sections        |           |
| <b>Psychoanalytic Certification</b>   | 5%Credit                     |           |
| <b>Risk Management Seminar</b>  | 5%Credit                     |           |

*manual pgs changed 1/30/09*

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

**Rule 2. Vicarious Liability**

The additional premium for vicarious liability coverage is determined as follows:

**VICARIOUS LIABILITY  
Additional Premium for Separate Limit  
(Policy Coverage B)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 0-3                                      | 10%  |
| 4-10                                     | 25%  |
| 11-25                                    | 50%  |
| Over 25                                  | 100%   |

**VICARIOUS LIABILITY  
Additional Premium for Shared Limit  
(Policy Coverage A)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 1-3                                      | 5%   |
| 4-10                                     | 15%  |
| 11-25                                    | 25%  |
| Over 25                                  | 100%   |

**Rule 3. Premium Rounding**

All premiums shall be rounded to the nearest whole dollar. Amounts that are less than 50 cents shall be dropped. Increase amounts that are 50 cents or more to the next whole dollar.

Rounding procedures to be followed are taken from the Insurance Service Office, Inc. rules.

**RATES:** Round rates, factors and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill, e.g., .1245 = .125

**PREMIUM:** Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$.50 or over the next higher whole dollar.

**Rule 4. Maximum 50% Credit**

Maximum 50% credit (discount) applies subject to the following **exclusions:**

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

First Year in Practice (FYIP is 60%)  
Experience factor is not included  
Schedule factor is not included  
Psychoanalytic Cert. factor is not included  
Risk Management Seminar factor is not included  
Child and Adolescent (C & AP) is not included

|                |                               |
|----------------|-------------------------------|
| <b>Rule 5.</b> | <b>Prior Acts Endorsement</b> |
|----------------|-------------------------------|

The following rating is used when a member converts the claims-made policy to occurrence and does not purchase extended reporting endorsement from the prior carrier. Prior Acts Endorsement will be effective the inception date of the occurrence policy and cover claims reported after the cancellation date which occurred between the retroactive date and cancellation date of the claims-made policy.

This rating will be used in situations where the member's most recent previous carrier was The Psychiatrists' Program and for some reason the member allowed occurrence policy to lapse. The lapsed period cannot exceed one year and must meet acceptable underwriting criteria.

|  |                            |
|--|----------------------------|
| 1 <sup>st</sup> year in CLAIMS MADE Coverage           | 70% of Occurrence Premium  |
| 2 <sup>nd</sup> year in CLAIMS MADE Coverage           | 110% of Occurrence Premium |
| 3 <sup>rd</sup> year in CLAIMS MADE Coverage           | 135% of Occurrence Premium |
| 4 <sup>th</sup> year in CLAIMS MADE Coverage           | 145% of Occurrence Premium |
| 5 <sup>th</sup> year and after in CLAIMS MADE Coverage | 160% of Occurrence Premium |

|                |  |
|----------------|--|
| <b>Rule 6.</b> | <b>Unlimited Tail Coverage (Extended Reporting Period)</b> |
|----------------|--|

Tail premium calculation process is EXACTLY the same process as for Primary Coverage regarding the application of all discounts, surcharges, credits, & debits, including short rate and prorata factors.

The premium is based on the expiring annual premium written under a claims-made contract per the following Extended Claim Reporting Period (ERP) factors:

| <u>Claims-Made Year</u>   | <u>ERP Factor</u> |
|---------------------------|-------------------|
| First Year                | 100%              |
| Second Year               | 125%              |
| Third Year                | 140%              |
| Fourth Year               | 150%              |
| Fifth Year and Thereafter | 175%              |

The tail coverage (extended reporting period) endorsement that is issued for the purchased tail or the free tail provides unlimited tail coverage.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

**FREE TAIL COVERAGE**

1. **Claims-Made Contract.** Unlimited tail coverage is free in the event of DEATH or PERMANENT DISABILITY, or when a member reaches age 55 or older and has been insured under a Psychiatrists' Program Claims-Made contract for at least 5 consecutive years immediately prior to permanent retirement. It is also free when a member has been insured with the Psychiatrists' Program under a claims-made contract for 10 consecutive or more years provided at the time of cancellation, the annual premium has **not been** experience rated anytime during the ten year period and the insured requested the cancellation of coverage.
2. **Modified Occurrence Contract.** Tail coverage is included at no additional cost upon termination or non-renewal, for any reason.
3. **Claims-Made with Prepaid Tail Contract.** Same as Modified Occurrence Contract.

|                |                                     |
|----------------|-------------------------------------|
| <b>Rule 7.</b> | <b>Experience Rating Guidelines</b> |
|----------------|-------------------------------------|

The following Experience Rating Guidelines applies:

**Severity –**

(Use last five-year experience period prior to renewal application)

|  |  |
|--|--|
| Indemnity payment \$30,000 to \$50,000                                   | 10% per claim  |
| Indemnity payment \$50,001 to \$99,999                                   | 20% per claim  |
| Open or closed claim with Indemnity payment or reserve \$100,000 or more | 30% per claim plus 10% each \$50,000 increment above \$100,000 |

**Frequency** (Open and Closed claims with incurred and/or reserved indemnity and expenses totaling \$10,000 and above).

|   |                |
|---|----------------|
| Two claims reported within any 12-month period in last three years. | 25% each claim |
|---|----------------|

|   |                |
|---|----------------|
| Three claims reported within last five years. | 50% each claim |
|---|----------------|

**Liability** (Open and closed claims within last 5 years)

|   |                 |
|---|-----------------|
| a. Deviation from standard of care        | 50%-non-renewal |
| b. Non-cooperation with policy conditions | 50%-non-renewal |
| c. Undue familiarity                      |                 |
| Insured admission                         | non-renewal     |
| Settlement by carrier and/or insured      | non-renewal     |

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program</b> |
|----------------|--|

The following schedule rating criteria can be used to establish the adjusted annual premium per participant.

Refer to the following, which discusses the underwriting intention for considering risk characteristics not otherwise contemplated in the base rate.

The rating schedule is intended to create an overall risk profile of the insured. Multiple characteristics should be weighted and evaluated based on measurable statistics, (i.e. practice time, number of patients, length of training or experience or lack thereof, etc)

This program is mandatory and to be administered consistently with each insured or prospective insured.

**Schedule rating characteristics**

*Adjustment to base rate of +/- 40% requires management approval except where indicated below.*

**A. PRACTICE SETTING:**

**Detention Facilities:** This includes jails, juvenile centers, detention centers and prisons. Risks associated with this exposure are generally related to frequency rather than severity. Individuals kept in these facilities are typically litigious who spend significant time reviewing case law and figuring out ways to file suits. (Jail House Lawyers). In most **federal** facilities, the employees enjoy sovereign immunity, which means they cannot be sued. Therefore, our physician which is usually a contractor is left as the “deep pocket” and the only person available for potential recovery of alleged damages.

All other type of government or community facilities may or may not have statutes protecting the employees against liability. It will vary by state and county. There may also be protection for these individuals through the facility’s professional liability insurance carrier. Hold harmless indemnification clauses are standard in these contractual relationships. Therefore, it is important to understand the working arrangement between the insured and the facility to measure the degree of increased liability for our participant. **5% debit**

**Patient recruitment practices:** The probability of increased liability is common for those practices utilizing techniques for patient recruitment considered entrepreneurial and absent of credible medical necessity. For example, advertisements made outside of the practice area, bonuses given for patient referrals or profits generated by the care the physicians and other treating professionals rendered to their patients are some examples of techniques that could cause litigation.

The Underwriter should review the entire profile of the participant to determine the extent of increased liability if they are involved in a practice location or facility that engages in this activity. As a result of increased media concentration on these practices, many facilities have taken measures to terminate these

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

practices. However, the amount of time the participant has been associated with this activity should be considered. **40% debit or convert the insured to a claims – made policy form.**

**Home based practice:** An insured working from the home is not uncommon in the practice of psychiatry. Many part-time women, who also are raising a family and want to continue practicing, conduct a small practice from their home. It is however, also understood that these individuals, maintain relationships with the community and medical mental health professionals for continued education and referral capabilities.

The liability for a participant is considered increased when an individual has chosen to work from the home because they cannot obtain clinical or hospital affiliations. The ongoing mentoring of colleagues is not present and the psychiatrist has no peer review of his/her practice activities. This practice profile may require intervention and additional interviewing by PRMS risk management to ascertain the degree of adverse risk. **30% debit**

**Facility has been subject to license or accreditation disciplinary action or federal investigation or prosecution, mass tort litigation or investigative reporting.** If an insured is affiliated with a facility that has recently been subject to any of these issues it is probable that the insured may have an increased liability. The effect of patient knowledge of these actions and media attention could place our insured in a position to be “guilty by association”.

The underwriter should utilize all reference information relative to this facility and determine the degree of involvement of our insured directly related to the facility’s adverse risk characteristics. **40% debit**

**Clinical teaching activities exceed 50% of total practice time:** Although the insured involved in this activity is competent to teach other medical professionals, the increase of patient volume related to this activity is considered an additional liability exposure. **10% debit**

**B. NATURE AND SCOPE OF PRACTICE**

**Treatment of Borderline Personalities and Multiple Personality disorders:** Incidental treatments of these disorders are contemplated in the base rates. However, the underwriter should consider the number of patients and time devoted by the participant to these treatments. In addition, treatment modality must be questioned by the underwriter and discussed with PRMS risk management for unconventional activities by the insured. **40% debit**

**Treatment of pain management:** Patients seeking psychiatric services for the management of pain are almost always associated with other medical treatments or illnesses. For this reason, treatment of pain management can increase the liability where our insured would be involved in a claim along with other treating physicians. The underwriter should discuss the volume of patients and practice time devoted to this activity. In addition, the treatment modalities should be discussed with PRMS risk management to

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

determine standard of care. Psychiatrists utilizing anesthesia for pain management is to be referred to management for consideration of continued insurability. **40% debit**

**Use of abreaction, rage; sodium amytal, sex and recovered memory therapies:** The base rate does not contemplate treatment by use of these types of therapies. Any insured utilizing these therapies should be discussed with PRMS risk management after the underwriter has secured information from the participant regarding the patient volume and practice time affiliated with these therapies. All insured members utilizing these therapies should be referred to management for consideration of continued insurability. **40% debit**

**Supervision of/Consultation with professionals in 2, 3 and 4 above:** Although the insured may not directly treat patients or use these therapies, they incur vicarious liability for the supervision of professionals who do. In addition, consultation is defined as professional services rendered and does not decrease the insured liability. Therefore, the premium should be increased as a result of this exposure. **40% debit**

**Above average daily patient volume:** An average daily patient volume of 25 is contemplated in the base rates. Any practice where the patient volume is greater should be considered as an increased risk and priced accordingly. **30% debit**

**Adverse risk not contemplated in the base rate:** This category should be used when the underwriter determines that the participant's exposure generates a risk not otherwise discussed in the above criteria and was not contemplated in the usual and customary definition of psychiatric professional services but meets underwriting approval for coverage. Use of this category requires management approval in all cases.

|                |                       |
|----------------|-----------------------|
| <b>Rule 9.</b> | <b>Group Accounts</b> |
|----------------|-----------------------|

**Eligibility**

The medical groups that will be considered for Coverage B of the policy will be professional corporations, partnerships, or associations operated by behavioral healthcare professionals. The entity will also have psychiatrist affiliation with at least 50 % of the psychiatrists being members in good standing with the American Psychiatric Association.

**Rates**

Each Psychiatrist Insured will be rated in accordance with the individual program rules and rates.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

Individual coverage for other behavioral healthcare professionals will be rated as a percentage of the psychiatrist rate for that rating area.

- Psychologists: .20
- Social Workers .03
- Therapists: .03
- Nurses: .05
- Nurse Practitioner .30

Vicarious liability coverage for the medical group for employed or contracted behavioral healthcare providers not insured under the policy will be priced at 10% of the otherwise applicable premium rate (including discounts).

Medical group premium will be priced based on the following:

| <u>Number of<br/>Insured employees/contractors.</u> | <u>Percentage of<br/>Insured Psychiatrist Base Rate</u> |
|---|---|
| 2-5   | 10%   |
| 6-10  | 15%   |
| 11-20   | 20%   |
| over 20   | 25%   |

The sum of the individuals, medical group and vicarious liability premium will determine the total premium of the medical group.

Non-psychiatrist insureds can share the limit of liability of the medical group.

The base rate for each insured sharing the limit with the group entity will be reduced by 10% when the total number of insured psychiatrists in the group exceeds 5 on an annual basis.

The base rate for each insured sharing the limit with the group entity will be reduced by 5% when the total number of insured psychiatrists in the group is 5 or less on an annual basis.

A schedule rating credit/debit can then be applied to the total premium of the medical group in accordance with the Schedule Rating Group Rules, (see attached).

**Limits of Liability**

Refer to policy Limits of Liability Section, Coverage A and Coverage B for application of limits for individual insureds, medical corporations, partnerships, and associations. Refer to the rate schedule for the applicable limits for each state.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

**Claims-Made**

The retroactive date can be advanced only at the request or with the written acknowledgment of the insured.

**Group Vicarious Liability Surcharge Endorsement**

If a scheduled insured under the group policy terminates coverage and does not elect to purchase the extended reporting endorsement, the group premium will be surcharged 10% of the quoted ERP premium. The surcharge is applicable as a result of the vicarious liability exposure to the group for the professional services rendered by the insured while working on behalf of the group. The surcharge will be waived if the cancelled insured provides proof of prior acts coverage from the new carrier for the period insured under the group policy.

**Other Physician Coverage**

The Program will consider coverage for individual physicians affiliated with the medical group who are not psychiatrists (i.e. internists, pediatricians, family/general practice). The rate for these physicians will be calculated in accordance with the filed class relativity differential (psychiatry to other specialty) of the major medical professional liability insurance carrier in that state. The calculated relativity will then be applied to the base psychiatry rate used in this Program's individual rates.

**Outside Medical Group Practice Activity**

Coverage will be considered for an insured who has a medical practice outside the scope of his/her affiliation with the medical group. The outside practice is subject to underwriting and if accepted will be rated in accordance with the medical specialty rate and total practice hours applicable to all practice activities for which coverage has been provided.

|                 |  |
|-----------------|--|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts</b> |
|-----------------|--|

The following modifications may be applied to recognize special characteristics that are not fully recognized in the basic rate(s) or premium. The maximum credit/debit shall not exceed +/-5. The schedule rating program is mandatory and to be administered consistently for each insured or prospective insured.

**Management (+/- 5)**

Management has demonstrated adequate control and monitoring of the risks and exposures of the organization. The financial condition of the Medical Group is favorable. An example of a

Medical Group which would receive a credit would employ a dedicated risk manager and have favorable financial ratios.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |   |
|-----------------|---|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts (Cont'd)</b> |
|-----------------|---|

**Employees (+/-5)**

The applicant has established a continuing professional education program for its employees and encourages certification in their respective specialties. There must be a statement in the employee handbook advocating continuing education. The Medical Group agrees to pay all or some of the tuition fees and/or related educational expenses. Further, the composition of the Medical Group will be 50% or greater of the employee population having board certification or similar advanced degrees for a maximum credit to be granted. If the percentage is lower, but still substantial, and the other criteria described above are met, a lesser credit may be granted. If none of the above, a debit will be made.

**Risk Management (+/-5)**

The applicant has an established and working risk management program to minimize the frequency and severity of claims. A Medical Group which has an incident reporting system, occurrence screening, and other mechanisms to address potential and actual claims would receive a maximum credit. If none of these mechanisms are in place, a debit will be made.

**Medical Records/Informed Consent (+/-5)**

The applicant has a system in effect for concurrent and retrospective review of medical records and informed consent documents. If the Medical Group has a medical records system only or an informed consent system only, no debit or credit is available. If both systems are in effect, a credit is available. If neither system is in effect, a debit will be made.

**Performance of experimental procedures (+/-5)**

If the medical group practice includes procedures that are considered experimental, but that are performed within the prescribed guidelines, controlled studies, or : "protocol" established by the manufacturer or similar entity, there will be no debit or credit, however if the experimental procedures are not subject to the protocol, a debit of up to 10% will be applied. Since the underlying program's rates reflect the assumption that insureds will not be performing experimental procedures, no credit will be given under any circumstances and under this category i.e. there will be no credit if experimental procedures are not utilized.

|                 |                     |
|-----------------|---------------------|
| <b>Rule 11.</b> | <b>Locum Tenens</b> |
|-----------------|---------------------|

A Locum Tenens ("hold the place of") works in place of a Named Insured or Additional Named Insured, never at the same time. The Locum Tenens doctor must be underwritten in the same specialty classification as the Named Insured or Additional Named Insured. The program will allow Locum Tenens coverage for a maximum total of 45 days each policy year.

There is no charge for this coverage.

**Neuman, Gayle**

---

**From:** Harry, Myron [Myron.Harry@AIG.com]  
**Sent:** Wednesday, February 06, 2008 9:23 AM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire Ins Co of Pittsburgh, PA - Psychiatrists Filing #AIC-07-EO-15

Ms. Newman,

In response to your request, we offer the following:

1. Statistics are reported to the Insurance Services Office as Non-Bureau.
2. How many Illinois insureds are affected by this rate change?  
157 Insureds are affected by this rate change.

How much premium change will there be (minimum/maximum)?  
Our premium change will be a -\$174,980.

How many will receive:  
An increase: 0  
A decrease: 157 -\$174,980  
Stay neutral: 0

Please let us know if we can be of any further assistance.

-----Original Message-----

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Thursday, January 31, 2008 2:23 PM  
**To:** Harry, Myron  
**Subject:** National Union Fire Ins Co of Pittsburgh, PA - Psychiatrists Filing #AIC-07-EO-15

M. Harry,

We have two last questions to address.

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
2. How many Illinois insureds are affected by this rate change? How much premium change will there be (minimum/maximum)? How many will receive an increase, a decrease, stay neutral, and any range of premium involved.

We request receipt of your response by no later than February 7, 2008.

Gayle Neuman  
Property & Casualty Compliance, Division of Insurance  
Illinois Department of Financial & Professional Regulation  
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3

2/6/2008

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |                                |
|-----------------|--------------------------------|
| <b>Rule 12.</b> | <b>Suspension of Insurance</b> |
|-----------------|--------------------------------|

An insured covered under a claims-made policy may request suspension of insurance, due to disability or to accommodate a sabbatical leave of training. The insured will not be covered for claims or suits which arise based on an occurrence within the period of suspension. The insured is entitled to report claims during the period of suspension which arise from occurrences when the policy was in force and not on suspense.

Suspension may be secured for a minimum period of 90 consecutive days and for a maximum of one year. This option is allowed only once every four years except for reason of disability.

Billing for the current quarter(s) is suppressed, and a refund for the quarter(s) or remainder of quarter(s) affected is made to the insured.

The premium is calculated as 25% of the claims-made written premium and then pro-rated for the suspended period.

|                 |                               |
|-----------------|-------------------------------|
| <b>Rule 13.</b> | <b>Policy Minimum Premium</b> |
|-----------------|-------------------------------|

A minimum annual premium of \$1000.00 for any one policy with limits of \$1,000,000/\$3,000,000 or lower will be applied.

A minimum annual premium of \$2000.00 for any one policy with limits of \$2,000,000/\$6,000,000 will be applied.

|                 |   |
|-----------------|---|
| <b>Rule 14.</b> | <b>Quarterly Premium Installment Plan</b> |
|-----------------|---|

**Quarterly Premium Installment Plan:** The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

|                |   |     |                                    |
|----------------|---|-----|------------------------------------|
| First Quarter  | = | 40% |                                    |
| Second Quarter | = | 20% | Due 3 months from policy inception |
| Third Quarter  | = | 20% | Due 6 months from policy inception |
| Fourth Quarter | = | 20% | Due 9 months from policy inception |

**Neuman, Gayle**

---

**From:** Harry, Myron [Myron.Harry@AIG.com]  
**Sent:** Wednesday, January 30, 2008 3:51 PM  
**To:** Neuman, Gayle  
**Subject:** RE: National Union Fire Ins Co of Pittsburgh, PA - Psychiatrists Filing #AIC-07-EO-15  
**Attachments:** 1-08 Manual Rules - Revised.pdf; 1-08 Rate Sheet - revised.pdf

Ms. Neuman,

In response to your comments dated January 16, 2008, we offer the following:

1. We have revised the Rate Factor Sheet and the Manual Rules to reflect that the tail premium will be calculated as a factor of the expiring annual premium.
2. We have revised the Manual Rules to clarify the calculation of the premium for suspension of coverage. Also, please note that the premium for the suspension of coverage is calculated as 25% of the written premium for the period of suspension. For example, if the annual premium is \$5,000 and the suspension period is six months, the premium for the suspension would be  $(\$5,000 \times .5 \text{ pro-rate for 6 months}) \times .25 = \$625$ . Additionally, if the suspension period runs into the next policy period, the pro-rated premium for the next policy period would be calculated and multiplied by .25 as well.
3. The Manual Rules have been revised to specifically state that the 2nd, 3rd, and 4th installment payments are due 3, 6, and 9 months respectively from policy inception.

Please see attached revised Manual Rules and Rate Sheet.

Please let us know if we can be of any further assistance.

Original Message-----

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, January 16, 2008 11:48 AM  
**To:** Harry, Myron  
**Subject:** National Union Fire Ins Co of Pittsburgh, PA - Psychiatrists Filing #AIC-07-EO-15

M. Harry,

We are in receipt of the above referenced filing submitted by your letter dated November 14, 2007. The submission is not acceptable for filing in Illinois due to the following reason(s):

1. The extended reporting period (tail) coverage premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The manual must list the factor to be used to figure the premium. The manual should additionally indicate if the extended reporting period is for a year or unlimited - for both the tail and the free tail.
2. Under Rule 12. Suspension of Insurance, the manual indicates "charge 25% of the claims-made rate". Is this charge the same regardless of the suspension being 90 days or a full year? If this one year period straddles two policy periods, is the insured charged the 25% for both policy periods?
3. Under Rule 14. Quarterly Premium Installment Plan, we require the manual indicate that the three installments are due 3, 6 and 9 months from policy inception (unless a more lenient schedule is allowed).

We request receipt of your response by January 30, 2008.

1/31/2008

Gayle Neuman  
Property & Casualty Compliance, Division of Insurance  
Illinois Department of Financial & Professional Regulation  
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: [Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

**Neuman, Gayle**

---

**From:** Savage, Marcy  
**Sent:** Thursday, January 17, 2008 3:27 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Psychiatrist's Purchasing Group, Inc.

This purchasing group is registered with National Union Fire of Pitt PA as their carrier.

---

**From:** Neuman, Gayle  
**Sent:** Wednesday, January 16, 2008 9:35 AM  
**To:** Savage, Marcy  
**Subject:** FW: Psychiatrist's Purchasing Group, Inc.

Not sure if this went through the first time I sent it.

---

**From:** Neuman, Gayle  
**Sent:** Monday, January 07, 2008 10:46 AM  
**To:** Savage, Marcy  
**Subject:** Psychiatrist's Purchasing Group, Inc.

National Union Fire Ins Co of Pittsburgh, PA has submitted a filing indicating the above mentioned purchasing group. Please advise if they are properly registered. Thank you.

Gayle Neuman  
Property & Casualty Compliance, Division of Insurance  
Illinois Department of Financial & Professional Regulation  
(217) 524-6497

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
SIDE-BY-SIDE COMPARISON OF MANUAL RULES**

**RULES VERSION 5-04**

**IL RULES VERSION 10-07**

|   |  |
|---|--|
| <p><b>RULE 2. VICARIOUS LIABILITY</b></p> <p>1. Policy Coverage A shows as:<br/>No. of Employees/Independent Contractors: 0-3</p> | <p>1. Policy Coverage A has been changed to reflect proper number of employees: 1-3</p>  |
| <p>2. N/A</p>   | <p><b>RULE 14. QUARTERLY PREMIUM INSTALLMENT PLAN</b></p> <p>2. <b>Quarterly Premium Installment Plan:</b> The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.</p> <div style="text-align: right; margin-top: 20px;"> <p>First Quarter = 40%</p> <p>Second Quarter = 20%</p> <p>Third Quarter = 20%</p> <p>Fourth Quarter = 20%</p> </div> |



## **Explanatory Memorandum**

### **Data**

Data used in this analysis was provided by Professional Risk Management Services, which manages the APA-endorsed Psychiatrist's Professional Liability Insurance Program (Program) on behalf of National Union Fire Insurance Company of Pittsburgh, PA.

Factors applied to individual state data are derived on a countrywide basis. Countrywide data excludes experience of Kansas, Louisiana and Pennsylvania insureds. Kansas, Louisiana and Pennsylvania have catastrophic loss funds attaching at limits less than \$1 million/\$3 million. Only states where at least \$1 million/\$3 million limits are offered were included in the analysis. Data was valued as of June 30, 2006.

Other adjustments were made to the data. First, claim data was adjusted by removing National Medical Enterprise (NME) claims. NME claims arose from the fraudulent activity of the insured. Claims of this type are not anticipated to occur again. Second, the Program has written a number of claims-made policies. Experience of these policies was adjusted to an occurrence basis and included in the data.

Furnished data was not audited or verified other than to inspect it for reasonableness and consistency with data previously provided.

### **Countrywide Indication**

*On-Level Earned Premium.* On-level earned premium was computed by extending base earned exposures by manual rates<sup>1</sup>. For states where only claims-made coverage is offered, the mature claims-made rate was adjusted to an occurrence basis by dividing it by the claims-made maturation relativity.

*Projected Ultimate Losses and LAE.* Losses and LAE were projected to their ultimate values using both paid and incurred loss development methods. Regardless of the fundamental quantity, the projection procedure is the same.

---

<sup>1</sup> In the past, earned exposures were extended by manual rates adjusted by the average deviation from the base occurrence rate. Now, a newly created data warehouse permits computation of base earned exposures for accident years 1998 and subsequent. For example, a psychiatrist performing minor neurological procedures is charged twice the premium an otherwise identical psychiatrist without neurological procedures would be charged. Accordingly, a psychiatrist performing minor neurological procedures is counted as two units of exposure. Conversely, a part-time psychiatrist receiving a fifty percent premium credit would be counted as one-half unit of exposure.

For accident years prior to 1998, on-level earned premium is the number of earned psychiatrists extended by manual rates. This results in overstated on-level earned premium, and understated trended on-level loss and LAE ratios, for those accident years prior to 1998.

Using historical development as of June 30<sup>th</sup> valuation dates, link ratios were computed as credibility-weighted averages of observed values and values extrapolated from inverse power functions fitted to selections already made<sup>2</sup>. Tail factors are based on link ratios extrapolated using the last fitted inverse power curve. The reverse progressive product of the link ratios and tail factor yield loss development factors to ultimate applied to losses as of the most recent valuation date to obtain indications of each accident year's ultimate loss.

Accident year 2004 and 2005 projections were replaced with judgmental selections akin to Bornhuetter-Ferguson<sup>3</sup> projections as in prior year analyses. The product of on-level earned premium and a target loss and LAE ratio of 76.9% formed the a priori expected loss for these selections.

Final selection of ultimate losses was made after examining the results of both projections and is an average of the results of the two projections.

*Projected Ultimate Claims.* Reported claims, excluding those closed without payment, were projected to ultimate using a procedure analogous to that used to project ultimate losses. The protracted emergence suggested by selected development factors is appropriate and is due, at least in part, to the manner in which date of loss is established; in the absence of a definite act, the date of first treatment is used.

*Trend.* An indicated trend factor was derived in two ways: as the product of frequency and severity trends; and as pure premium trend directly. In theory the product of frequency and severity trends should equal the pure premium trend; however, in practice, combinations of linear and exponential models may result in a deviation. Trend indications are examined over various time intervals. Selected trends are based on the most recent seven years<sup>4</sup>. The selected trend factor, 1.084, is an equally weighted average of the product of frequency and severity trends and the pure premium trend. In our opinion, this selection is a reasonable long-term trend for medical malpractice.

*Target Loss and LAE Ratio.* A substantial portion of the direct written premium is ceded to a reinsurer that pays a ceding commission of 22.0%, plus tax allowance of 3.5%. The expense allocation represents a reasonable allocation of the ceding commission to expense categories. The reinsurer bearing the plurality of risk imparted the underwriting profit provision.

<sup>2</sup> This iterative procedure is more fully described in Sherman, R.E., "Extrapolating, Smoothing, and Interpolating Development Factors", *Proceedings of the Casualty Actuarial Society LXXI*, 1984, pp. 122-155.

<sup>3</sup> See Bornhuetter, R.L.; and Ferguson, R.E., "The Actuary and IBNR", *Proceedings of the Casualty Actuarial Society LIX*, 1972, pp. 181-195.

<sup>4</sup> Until recently, trend indications for the Program were lower than one would expect for medical malpractice. These indications were likely illusory. Among the reasons for this judgment are: uncertainty in observed frequency and observed pure premiums for the 1998 and prior accident years due to the number of psychiatrists being used as a proxy for earned exposures for those years; the Legion insolvency, which may cause Program experience while Legion acted as insurer, particularly those years immediately preceding AIG's involvement, to be understated; and recent trends in medical malpractice which are well publicized. However, this phenomenon now appears to have come to an end and, in our opinion, current indications are appropriate for estimating prospective rates.

*Investment Income Offset.* The investment income offset is calculated using a discounted cash flow approach. The pattern of payment emergence is derived from countrywide paid loss development factors. The interest rate of 4.000% used to discount the payment emergence is comparable to the risk free rate of return in recent years. The indicated discount factor was tempered 10% to reflect risk in the pattern of payment emergence.

*Countrywide Indication.* The countrywide indication is based on a mid-five-of-seven year experience period to balance stability and responsiveness. The on-level earned premium weighted average of the trended on-level loss and loss adjustment expense ratio, divided by the target loss and loss adjustment expense ratio, gives a countrywide indication of +0.2%. This indication has full credibility using a full credibility standard of 1,537 claims ( $P = 95\%$ ,  $k = \pm 5\%$ ).

### **Illinois Indication**

*Projected Ultimate Losses and LAE.* Losses and LAE were projected to their ultimate values using both paid and incurred loss development methods. Loss development factors are those developed on a countrywide basis. Accident year 2004 and 2005 projections were replaced with judgmental selections analogous to the countrywide selections. Final selection of ultimate losses was made after examining the results of both projections. Selected ultimate losses are an average of the two projections.

*Statewide Indication.* Like the countrywide indication, the statewide indication is based on a mid-five-of-seven year experience period. The statewide indication, after credibility weighting with the countrywide indication, is -5.5%.

In our opinion, implementing the selected statewide rate level change would result in rates that are reasonable and not excessive, inadequate, or unfairly discriminatory. Therefore, we recommend the Program implement a -5.5% rate decrease.

**Exhibits**

**Illinois Exhibits**

Statewide Indication ..... 1

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE .....2

**Countrywide Exhibits**

On-Level Earned Premium ..... 1

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE .....2

Ultimate Claims.....3

Trend .....4

Target Loss and LAE Ratio.....5

Investment income Offset .....6

Countrywide Indication .....7

## **Illinois Exhibits**

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Illinois - Occurrence - 1,000,000/3,000,000 Limits

Statewide Indication

| (1)           | (2)                                | (3)                        | (4)               | (5)                               | (6)                          | (7)                     | (8)   | (9)             |
|---------------|------------------------------------|----------------------------|-------------------|-----------------------------------|------------------------------|-------------------------|---|-----------------|
| Accident Year | Projected Loss and LAE (Exhibit 2) | Midpoint Experience Period | Years to 1/1/2008 | Trend Factor 1.084 <sup>(4)</sup> | Trended Loss and LAE (2)*(5) | On-Level Earned Premium | Trended On-Level Loss and LAE Ratio (6)/(7) | Reported Claims |
| 1992          | 3,228,155                          | 7/1/1992                   | 15.500            | 3.491                             | 11,289,594                   | 8,861,778               | 127.2%                                      | 53              |
| 1993          | 3,454,181                          | 7/1/1993                   | 14.500            | 3.221                             | 11,124,222                   | 9,045,691               | 123.0%                                      | 47              |
| 1994          | 4,436,994                          | 7/1/1994                   | 13.500            | 2.971                             | 13,182,086                   | 8,935,341               | 147.5%                                      | 52              |
| 1995          | 2,672,948                          | 7/1/1995                   | 12.500            | 2.741                             | 7,325,828                    | 8,460,029               | 86.6%                                       | 39              |
| 1996          | 3,114,810                          | 7/1/1996                   | 11.500            | 2.528                             | 7,875,323                    | 7,576,254               | 103.9%                                      | 41              |
| 1997          | 1,836,482                          | 7/1/1997                   | 10.500            | 2.332                             | 4,283,454                    | 6,020,102               | 71.2%                                       | 35              |
| 1998          | 1,572,451                          | 7/1/1998                   | 9.500             | 2.152                             | 3,383,416                    | 5,107,632               | 66.2%                                       | 45              |
| 1999          | 1,800,131                          | 7/1/1999                   | 8.500             | 1.985                             | 3,573,164                    | 4,572,909               | 78.1%                                       | 49              |
| 2000          | 432,580                            | 7/1/2000                   | 7.500             | 1.831                             | 792,110                      | 5,015,196               | 15.8%                                       | 35              |
| 2001          | 4,369,989                          | 7/1/2001                   | 6.500             | 1.689                             | 7,381,942                    | 5,279,998               | 139.8%                                      | 54              |
| 2002          | 953,124                            | 7/1/2002                   | 5.500             | 1.558                             | 1,485,287                    | 4,913,369               | 30.2%                                       | 36              |
| 2003          | 1,519,170                          | 7/1/2003                   | 4.500             | 1.438                             | 2,183,928                    | 4,090,644               | 53.4%                                       | 39              |
| 2004          | 2,286,657                          | 7/1/2004                   | 3.500             | 1.326                             | 3,032,519                    | 3,692,190               | 82.1%                                       | 25              |
| 2005          | 2,491,432                          | 7/1/2005                   | 2.500             | 1.223                             | 3,048,051                    | 3,508,772               | 86.9%                                       | 25              |

(10) Trended On-Level Loss and LAE Ratio<sup>1</sup>

(11) Target Loss and LAE Ratio [US-1000, Exhibit 5, line (6)]

(12) Indicated Statewide Rate Level Change [(10)/(11)-1]

(13) Credibility of Indicated Statewide Rate Level Change [(174/1,537)\*0.5]

(14) Selected Countrywide Rate Level Change [US-1000, Exhibit 7, line (14)]

(15) Credibility of Selected Countrywide Rate Level Change [1.00\*(1-(13))]

(16) Indicated Statewide Rate Level Change [(12)\*(13)+(14)\*(15)]

(17) Selected Statewide Rate Level Change

<sup>1</sup>Weighted average of last seven column (8) entries, excluding highest and lowest. On-level earned premium from column (7) used as weights.

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Illinois - 1,000,000/3,000,000 Limits

Exhibit 2

**Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE**

| (1)<br>Accident<br>Year | (2)<br>Method 1:<br>Incurred | (3)<br>Method 2:<br>Paid | (4)<br>Indicated<br>Ultimate | (5)<br>Selected<br>Ultimate |
|-------------------------|------------------------------|--------------------------|------------------------------|-----------------------------|
| 1992                    | 3,228,155                    | 3,228,155                | 3,228,155                    | 3,228,155                   |
| 1993                    | 3,414,663                    | 3,493,698                | 3,454,181                    | 3,454,181                   |
| 1994                    | 4,400,402                    | 4,473,586                | 4,436,994                    | 4,436,994                   |
| 1995                    | 2,625,996                    | 2,719,901                | 2,672,948                    | 2,672,948                   |
| 1996                    | 3,116,997                    | 3,112,624                | 3,114,810                    | 3,114,810                   |
| 1997                    | 1,765,509                    | 1,907,454                | 1,836,482                    | 1,836,482                   |
| 1998                    | 1,483,916                    | 1,660,987                | 1,572,451                    | 1,572,451                   |
| 1999                    | 1,810,917                    | 1,789,345                | 1,800,131                    | 1,800,131                   |
| 2000                    | 438,111                      | 427,048                  | 432,580                      | 432,580                     |
| 2001                    | 4,493,213                    | 4,246,764                | 4,369,989                    | 4,369,989                   |
| 2002                    | 930,879                      | 975,368                  | 953,124                      | 953,124                     |
| 2003                    | 1,750,001                    | 1,288,340                | 1,519,170                    | 1,519,170                   |
| 2004                    | 1,976,867                    | 2,596,448                | 2,286,657                    | 2,286,657                   |
| 2005                    | 2,322,278                    | 2,660,585                | 2,491,432                    | 2,491,432                   |
|                         | 33,757,906                   | 34,580,303               | 34,169,104                   | 34,169,104                  |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Exhibit 2

Illinois - 1,000,000/3,000,000 Limits

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE  
Method 1: Incurred Projection

| (1)<br>Accident<br>Year | (2)<br>Incurred | (3)<br>Ultimate<br>Factor | (4)<br>Indicated<br>Ultimate<br>(2)*(3) | (5)<br>Selected<br>Ultimate |
|-------------------------|-----------------|---------------------------|---|-----------------------------|
| 1992                    | 3,228,155       | 1.000                     | 3,228,155                               | 3,228,155                   |
| 1993                    | 3,414,293       | 1.000                     | 3,414,663                               | 3,414,663                   |
| 1994                    | 4,399,050       | 1.000                     | 4,400,402                               | 4,400,402                   |
| 1995                    | 2,624,207       | 1.001                     | 2,625,996                               | 2,625,996                   |
| 1996                    | 3,112,624       | 1.001                     | 3,116,997                               | 3,116,997                   |
| 1997                    | 1,760,505       | 1.003                     | 1,765,509                               | 1,765,509                   |
| 1998                    | 1,475,371       | 1.006                     | 1,483,916                               | 1,483,916                   |
| 1999                    | 1,789,345       | 1.012                     | 1,810,917                               | 1,810,917                   |
| 2000                    | 427,048         | 1.026                     | 438,111                                 | 438,111                     |
| 2001                    | 4,246,764       | 1.058                     | 4,493,213                               | 4,493,213                   |
| 2002                    | 829,522         | 1.122                     | 930,879                                 | 930,879                     |
| 2003                    | 1,288,340       | 1.358                     | 1,750,001                               | 1,750,001                   |
| 2004                    | 425,236         | 2.205                     | 937,712                                 | 1,976,867                   |
| 2005                    | 132,227         | 5.311                     | 702,239                                 | 2,322,278                   |
|                         | 29,152,687      |                           | 31,098,711                              | 33,757,906                  |

IL



**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Exhibit 2

Illinois - 1,000,000/3,000,000 Limits

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE  
Method 2: Paid Projection

| (1)<br>Accident<br>Year | (2)<br>Paid | (3)<br>Ultimate<br>Factor | (4)<br>Indicated<br>Ultimate<br>(2)*(3) | (5)<br>Selected<br>Ultimate |
|-------------------------|-------------|---------------------------|---|-----------------------------|
| 1992                    |             |                           |   |                             |
| 1993                    | 3,085,154   | 1.020                     | 3,147,809                               | 3,228,155                   |
| 1994                    | 3,414,293   | 1.023                     | 3,493,698                               | 3,493,698                   |
| 1995                    | 4,351,000   | 1.028                     | 4,473,586                               | 4,473,586                   |
| 1996                    | 2,624,207   | 1.036                     | 2,719,901                               | 2,719,901                   |
| 1997                    | 2,840,871   | 1.052                     | 2,989,984                               | 3,112,624                   |
| 1998                    | 1,751,278   | 1.089                     | 1,907,454                               | 1,907,454                   |
| 1999                    | 1,447,725   | 1.147                     | 1,660,987                               | 1,660,987                   |
| 2000                    | 1,006,818   | 1.273                     | 1,281,209                               | 1,789,345                   |
| 2001                    | 256,212     | 1.429                     | 366,000                                 | 427,048                     |
| 2002                    | 2,166,425   | 1.720                     | 3,726,401                               | 4,246,764                   |
| 2003                    | 434,592     | 2.244                     | 975,368                                 | 975,368                     |
| 2004                    | 203,541     | 3.767                     | 766,708                                 | 1,288,340                   |
| 2005                    | 93,355      | 8.449                     | 788,759                                 | 2,596,448                   |
|                         | 53,863      | 29.532                    | 1,590,691                               | 2,660,585                   |
| 23,729,335              |             |                           | 29,888,556                              | 34,580,303                  |

IL

3/3

8/8/2007 11:47 AM

## **Countrywide Exhibits**

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**  
 Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**On-Level Earned Premium**

| (1)<br>State/Territory | (2)<br>1992 | (3)<br>1993 | (4)<br>1994 | (5)<br>1995 | (6)<br>1996 | (7)<br>1997 | (8)<br>Earned Exposures<br>1998 | (9)<br>1999 | (10)<br>2000 | (11)<br>2001 | (12)<br>2002 | (13)<br>2003 | (14)<br>2004 | (15)<br>2005 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| AK1                    | 23          | 27          | 27          | 26          | 24          | 18          | 12                              | 12          | 21           | 16           | 11           | 4            | 7            | 6            |
| AL1                    | 94          | 93          | 88          | 86          | 84          | 74          | 66                              | 59          | 94           | 72           | 61           | 60           | 75           | 66           |
| AR1                    | 29          | 29          | 30          | 32          | 29          | 26          | 26                              | 23          | 23           | 22           | 24           | 23           | 26           | 28           |
| AZ1                    | 134         | 131         | 124         | 110         | 85          | 73          | 66                              | 63          | 76           | 68           | 67           | 61           | 56           | 61           |
| CA1                    | 91          | 69          | 65          | 61          | 59          | 61          | 55                              | 59          | 81           | 89           | 89           | 89           | 92           | 95           |
| CA2                    | 9           | 12          | 11          | 11          | 6           | 7           | 8                               | 10          | 13           | 17           | 22           | 18           | 18           | 18           |
| CA3                    | 21          | 35          | 38          | 43          | 43          | 43          | 43                              | 51          | 56           | 66           | 79           | 73           | 85           | 82           |
| CO1                    | 246         | 252         | 252         | 238         | 212         | 183         | 154                             | 157         | 177          | 201          | 196          | 189          | 163          | 165          |
| CT1                    | 440         | 450         | 449         | 436         | 391         | 328         | 281                             | 253         | 321          | 303          | 303          | 314          | 287          | 272          |
| DC1                    | 230         | 226         | 226         | 209         | 195         | 173         | 150                             | 127         | 123          | 123          | 112          | 109          | 111          | 111          |
| DE1                    | 51          | 50          | 45          | 36          | 28          | 19          | 12                              | 11          | 11           | 12           | 12           | 15           | 19           | 26           |
| FL1                    | 53          | 52          | 51          | 50          | 47          | 41          | 36                              | 36          | 50           | 64           | 72           | 38           | 29           | 43           |
| FL2                    | 275         | 263         | 248         | 245         | 230         | 202         | 189                             | 196         | 221          | 257          | 276          | 245          | 243          | 285          |
| GA1                    | 156         | 162         | 160         | 165         | 160         | 143         | 134                             | 132         | 159          | 224          | 333          | 234          | 159          | 148          |
| HI1                    | 3           | 5           | 6           | 9           | 9           | 8           | 6                               | 5           | 7            | 8            | 7            | 6            | 6            | 6            |
| IA1                    | 58          | 60          | 60          | 59          | 53          | 44          | 36                              | 35          | 38           | 39           | 35           | 32           | 37           | 38           |
| ID1                    | 24          | 25          | 26          | 23          | 21          | 19          | 15                              | 14          | 15           | 12           | 13           | 12           | 11           | 11           |
| IL1                    | 334         | 343         | 341         | 325         | 289         | 227         | 192                             | 171         | 184          | 194          | 182          | 151          | 133          | 126          |
| IL2                    | 10          | 12          | 12          | 13          | 12          | 11          | 10                              | 9           | 10           | 11           | 10           | 8            | 10           | 9            |
| IL3                    | 56          | 51          | 51          | 45          | 42          | 36          | 30                              | 29          | 36           | 38           | 34           | 29           | 29           | 28           |
| IN1                    | 27          | 25          | 25          | 25          | 20          | 15          | 15                              | 15          | 14           | 14           | 12           | 15           | 27           | 41           |
| KY1                    | 515         | 489         | 471         | 452         | 423         | 371         | 293                             | 280         | 287          | 304          | 267          | 98           | 103          | 114          |
| MA1                    | 301         | 264         | 244         | 222         | 179         | 142         | 121                             | 123         | 159          | 145          | 148          | 188          | 226          | 286          |
| MD1                    | 0           | 0           | 0           | 0           | 13          | 15          | 10                              | 9           | 23           | 16           | 16           | 20           | 35           | 35           |
| MD2                    | 76          | 82          | 81          | 79          | 74          | 65          | 52                              | 45          | 61           | 62           | 60           | 52           | 48           | 40           |
| ME1                    | 89          | 111         | 117         | 98          | 88          | 74          | 72                              | 7           | 8            | 7            | 5            | 6            | 10           | 2            |
| MI1                    | 122         | 128         | 133         | 142         | 75          | 30          | 22                              | 17          | 19           | 16           | 16           | 18           | 19           | 23           |
| MN1                    | 89          | 88          | 87          | 83          | 62          | 52          | 43                              | 38          | 41           | 43           | 47           | 48           | 39           | 36           |
| MO1                    | 63          | 60          | 54          | 55          | 61          | 49          | 43                              | 41          | 41           | 40           | 39           | 45           | 56           | 64           |
| MO2                    | 37          | 37          | 35          | 32          | 32          | 28          | 27                              | 24          | 24           | 26           | 68           | 69           | 55           | 55           |
| MS1                    | 67          | 72          | 74          | 71          | 71          | 67          | 63                              | 61          | 70           | 68           | 66           | 67           | 70           | 71           |
| MT1                    | 8           | 7           | 5           | 3           | 2           | 2           | 3                               | 2           | 1            | 3            | 3            | 3            | 3            | 5            |

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**  
 Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

Exhibit 1

On-Level Earned Premium

| (1)             | (2)   | (3)   | (4)   | (5)   | (6)   | (7)   | (8)   | (9)   | (10)  | (11)  | (12)  | (13)  | (14)  | (15)  |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| State/Territory | 1992  | 1993  | 1994  | 1995  | 1996  | 1997  | 1998  | 1999  | 2000  | 2001  | 2002  | 2003  | 2004  | 2005  |
| NC1             | 272   | 275   | 278   | 281   | 272   | 245   | 209   | 201   | 261   | 242   | 250   | 258   | 252   | 266   |
| ND1             | 10    | 12    | 13    | 14    | 13    | 9     | 7     | 4     | 19    | 9     | 13    | 13    | 12    | 3     |
| NE1             | 23    | 17    | 16    | 16    | 15    | 12    | 12    | 10    | 9     | 9     | 7     | 4     | 5     | 3     |
| NH1             | 103   | 92    | 105   | 128   | 80    | 29    | 16    | 17    | 15    | 16    | 16    | 15    | 14    | 16    |
| NJ1             | 124   | 105   | 95    | 89    | 86    | 91    | 80    | 90    | 143   | 164   | 184   | 223   | 257   | 261   |
| NM1             | 22    | 25    | 27    | 26    | 22    | 19    | 16    | 16    | 16    | 13    | 13    | 14    | 16    | 17    |
| NV1             | 7     | 8     | 8     | 9     | 9     | 12    | 12    | 11    | 11    | 11    | 13    | 15    | 13    | 11    |
| NY1             | 534   | 489   | 478   | 477   | 460   | 426   | 331   | 319   | 392   | 423   | 466   | 429   | 409   | 407   |
| NY2             | 568   | 539   | 539   | 536   | 543   | 522   | 415   | 406   | 436   | 467   | 610   | 441   | 441   | 465   |
| NY3             | 364   | 343   | 340   | 336   | 328   | 315   | 248   | 233   | 289   | 306   | 346   | 297   | 288   | 280   |
| NY4             | 90    | 91    | 89    | 88    | 89    | 82    | 72    | 70    | 92    | 75    | 87    | 71    | 70    | 68    |
| NYS             | 360   | 351   | 350   | 357   | 345   | 322   | 266   | 257   | 307   | 283   | 339   | 275   | 265   | 284   |
| OH1             | 271   | 270   | 264   | 265   | 241   | 196   | 179   | 159   | 190   | 192   | 194   | 203   | 215   | 259   |
| OK1             | 48    | 50    | 50    | 52    | 51    | 46    | 38    | 38    | 45    | 41    | 40    | 42    | 63    | 94    |
| OR1             | 72    | 62    | 53    | 49    | 47    | 44    | 37    | 37    | 87    | 80    | 95    | 114   | 109   | 136   |
| RI1             | 105   | 106   | 109   | 107   | 102   | 90    | 82    | 79    | 98    | 94    | 47    | 81    | 73    | 63    |
| SD1             | 89    | 79    | 72    | 66    | 59    | 55    | 50    | 48    | 55    | 63    | 81    | 70    | 70    | 88    |
| SO1             | 7     | 4     | 4     | 5     | 6     | 5     | 3     | 4     | 4     | 5     | 4     | 4     | 3     | 2     |
| TN1             | 20    | 26    | 24    | 19    | 17    | 14    | 14    | 12    | 127   | 116   | 101   | 12    | 16    | 16    |
| TX1             | 325   | 324   | 308   | 280   | 181   | 14    | 83    | 65    | 68    | 62    | 58    | 114   | 78    | 78    |
| TX2             | 138   | 140   | 148   | 126   | 91    | 84    | 127   | 111   | 8     | 8     | 10    | 63    | 51    | 50    |
| TX3             | 0     | 0     | 0     | 15    | 26    | 37    | 29    | 28    | 28    | 26    | 29    | 7     | 32    | 5     |
| TX4             | 0     | 0     | 0     | 0     | 159   | 11    | 8     | 11    | 78    | 11    | 8     | 8     | 32    | 28    |
| UT1             | 0     | 0     | 0     | 0     | 36    | 43    | 69    | 66    | 13    | 11    | 8     | 153   | 10    | 10    |
| VA1             | 13    | 13    | 12    | 10    | 63    | 84    | 35    | 31    | 35    | 68    | 140   | 153   | 87    | 83    |
| VA2             | 371   | 351   | 333   | 310   | 23    | 22    | 74    | 77    | 76    | 85    | 107   | 36    | 38    | 40    |
| VA3             | 0     | 0     | 0     | 0     | 125   | 116   | 16    | 18    | 76    | 22    | 134   | 89    | 98    | 98    |
| VT1             | 0     | 0     | 0     | 0     | 129   | 87    | 102   | 98    | 106   | 102   | 21    | 20    | 21    | 25    |
| WA1             | 151   | 147   | 144   | 130   | 42    | 42    | 47    | 48    | 41    | 35    | 103   | 109   | 105   | 111   |
| WI1             | 166   | 161   | 157   | 151   | 42    | 2     | 0     | 0     | 57    | 62    | 33    | 25    | 18    | 19    |
| WV1             | 37    | 37    | 37    | 39    | 4     | 2     | 0     | 0     | 1     | 0     | 54    | 55    | 53    | 51    |
| WY1             | 3     | 4     | 5     | 5     | 4     | 2     | 0     | 0     | 1     | 0     | 1     | 0     | 1     | 1     |
|                 | 8,137 | 7,957 | 7,834 | 7,613 | 6,836 | 5,830 | 5,041 | 4,793 | 5,676 | 5,834 | 6,418 | 5,897 | 5,758 | 5,971 |

US-1000

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**  
 Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**On-Level Earned Premium**

| (1)             |         | (16)         | (17)    |
|-----------------|---------|--------------|---------|
| State/Territory | Current | Rate Level   | Remarks |
| AK1             | 8,339   | Manual rate. |         |
| AL1             | 9,308   | Manual rate. |         |
| AR1             | 5,031   | Manual rate. |         |
| AZ1             | 13,719  | Manual rate. |         |
| CA1             | 8,392   | Manual rate. |         |
| CA2             | 7,840   | Manual rate. |         |
| CA3             | 5,420   | Manual rate. |         |
| CO1             | 7,140   | Manual rate. |         |
| CT1             | 5,875   | Manual rate. |         |
| DC1             | 8,009   | Manual rate. |         |
| DE1             | 7,104   | Manual rate. |         |
| FL1             | 17,599  | Manual rate. |         |
| FL2             | 10,888  | Manual rate. |         |
| GA1             | 8,659   | Manual rate. |         |
| HI1             | 11,183  | Manual rate. |         |
| IA1             | 7,611   | Manual rate. |         |
| ID1             | 7,899   | Manual rate. |         |
| IL1             | 23,456  | Manual rate. |         |
| IL2             | 18,746  | Manual rate. |         |
| IL3             | 13,594  | Manual rate. |         |
| IN1             | 6,921   | Manual rate. |         |
| KY1             | 7,407   | Manual rate. |         |
| MA1             | 4,414   | Manual rate. |         |
| MD1             | 7,789   | Manual rate. |         |
| MD2             | 7,475   | Manual rate. |         |
| ME1             | 6,866   | Manual rate. |         |
| MI1             | 29,023  | Manual rate. |         |
| MI2             | 12,996  | Manual rate. |         |
| MN1             | 6,841   | Manual rate. |         |
| MO1             | 12,024  | Manual rate. |         |
| MO2             | 7,791   | Manual rate. |         |
| MS1             | 8,075   | Manual rate. |         |
| MT1             | 9,018   | Manual rate. |         |

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**  
 Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits  
 On-Level Earned Premium

| (1)<br>State/Territory | (16)<br>Current |              | (17)<br>Remarks |
|------------------------|-----------------|--------------|-----------------|
|                        | Rate            | Level        |                 |
| NC1                    | 6,331           | Manual rate. |                 |
| ND1                    | 7,651           | Manual rate. |                 |
| NE1                    | 5,100           | Manual rate. |                 |
| NH1                    | 7,092           | Manual rate. |                 |
| NJ1                    | 5,154           | Manual rate. |                 |
| NM1                    | 7,963           | Manual rate. |                 |
| NV1                    | 12,053          | Manual rate. |                 |
| NY1                    | 6,303           | Manual rate. |                 |
| NY2                    | 5,176           | Manual rate. |                 |
| NY3                    | 4,222           | Manual rate. |                 |
| NY4                    | 3,041           | Manual rate. |                 |
| NY5                    | 2,829           | Manual rate. |                 |
| OH1                    | 11,204          | Manual rate. |                 |
| OK1                    | 4,960           | Manual rate. |                 |
| OR1                    | 5,204           | Manual rate. |                 |
| RI1                    | 7,033           | Manual rate. |                 |
| SC1                    | 3,483           | Manual rate. |                 |
| SD1                    | 8,852           | Manual rate. |                 |
| TN1                    | 5,905           | Manual rate. |                 |
| TX1                    | 16,745          | Manual rate. |                 |
| TX2                    | 15,803          | Manual rate. |                 |
| TX3                    | 18,638          | Manual rate. |                 |
| TX4                    | 12,023          | Manual rate. |                 |
| UT1                    | 6,719           | Manual rate. |                 |
| VA1                    | 8,657           | Manual rate. |                 |
| VA2                    | 7,951           | Manual rate. |                 |
| VA3                    | 6,535           | Manual rate. |                 |
| VT1                    | 5,960           | Manual rate. |                 |
| WA1                    | 5,511           | Manual rate. |                 |
| WI1                    | 9,932           | Manual rate. |                 |
| WV1                    | 8,370           | Manual rate. |                 |
| WY1                    | 9,994           | Manual rate. |                 |

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**

Countywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

On-Level Earned Premium

| (1)             | (18)      | (19)      | (20)      | (21)      | (22)      | (23)      | (24)                         | (25)      | (26)      | (27)      | (28)      | (29)      | (30)      | (31)      |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| State/Territory | 1992      | 1993      | 1994      | 1995      | 1996      | 1997      | On-Level Earned Premium 1998 | 1998      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      |
| AK1             | 189,017   | 227,933   | 225,153   | 216,814   | 200,136   | 130,644   | 100,098                      | 102,845   | 175,327   | 130,134   | 91,127    | 35,029    | 56,210    | 50,813    |
| AL1             | 871,849   | 868,747   | 816,001   | 787,365   | 781,872   | 681,119   | 613,730                      | 549,904   | 876,268   | 867,179   | 572,007   | 561,545   | 683,470   | 614,428   |
| AR1             | 144,222   | 145,899   | 132,607   | 159,315   | 144,272   | 132,463   | 132,435                      | 117,952   | 116,717   | 111,540   | 122,522   | 116,067   | 132,799   | 141,260   |
| AZ1             | 1,842,919 | 1,792,616 | 1,705,729 | 1,504,517 | 1,166,115 | 1,000,344 | 899,023                      | 887,775   | 1,048,819 | 928,376   | 916,324   | 840,249   | 772,564   | 841,255   |
| CA1             | 760,875   | 579,048   | 545,480   | 514,709   | 492,331   | 513,311   | 461,880                      | 495,362   | 676,456   | 749,510   | 748,589   | 745,624   | 776,045   | 796,155   |
| CA2             | 67,947    | 91,467    | 86,240    | 86,240    | 49,653    | 52,267    | 62,496                       | 76,310    | 99,647    | 137,084   | 169,580   | 137,909   | 138,804   | 144,610   |
| CO1             | 112,013   | 189,700   | 207,767   | 233,060   | 233,060   | 231,705   | 233,508                      | 278,861   | 302,943   | 359,909   | 428,998   | 393,377   | 458,675   | 445,133   |
| CT1             | 1,754,060 | 1,799,260 | 1,796,900 | 1,699,320 | 1,513,680 | 1,307,215 | 1,098,873                    | 1,123,437 | 1,263,844 | 1,437,510 | 1,402,729 | 1,332,269 | 1,167,102 | 1,179,653 |
| DC1             | 2,585,000 | 2,643,750 | 2,839,833 | 2,563,458 | 2,295,167 | 1,533,365 | 1,650,067                    | 1,485,663 | 1,885,839 | 1,780,850 | 1,778,137 | 1,847,343 | 1,685,167 | 1,595,734 |
| DE1             | 1,842,070 | 1,810,034 | 1,810,034 | 1,571,211 | 1,559,085 | 1,385,557 | 1,203,243                    | 1,015,507 | 986,627   | 982,065   | 895,473   | 889,635   | 891,652   | 886,310   |
| FL1             | 364,672   | 357,568   | 322,048   | 256,112   | 196,544   | 134,976   | 87,040                       | 76,544    | 74,985    | 81,757    | 84,398    | 107,220   | 135,867   | 187,359   |
| FL2             | 926,881   | 921,014   | 903,415   | 874,084   | 827,153   | 721,559   | 663,870                      | 627,557   | 886,338   | 1,118,569 | 1,258,954 | 671,477   | 517,210   | 750,245   |
| GA1             | 2,987,829 | 2,859,315 | 2,703,853 | 2,871,189 | 2,504,240 | 2,202,098 | 2,060,772                    | 2,132,325 | 2,408,919 | 2,800,551 | 3,006,224 | 2,662,864 | 2,640,799 | 3,107,263 |
| HI1             | 1,350,804 | 1,405,644 | 1,388,326 | 1,431,621 | 1,382,554 | 1,240,402 | 1,161,717                    | 1,142,402 | 1,375,619 | 1,936,779 | 2,885,011 | 2,023,222 | 1,373,715 | 1,285,238 |
| IA1             | 33,567    | 55,945    | 67,134    | 96,971    | 104,431   | 83,242    | 68,154                       | 58,829    | 76,128    | 84,534    | 76,658    | 68,787    | 69,136    | 66,423    |
| ID1             | 441,438   | 454,123   | 456,660   | 451,586   | 403,383   | 332,347   | 274,085                      | 264,276   | 296,725   | 268,967   | 262,886   | 245,627   | 280,070   | 286,269   |
| IL1             | 185,576   | 194,842   | 202,741   | 184,310   | 168,512   | 150,081   | 116,202                      | 108,011   | 121,368   | 193,072   | 4,558,158 | 96,654    | 84,422    | 88,727    |
| IL2             | 7,634,304 | 8,053,227 | 8,006,315 | 7,615,381 | 6,786,603 | 5,324,512 | 4,501,560                    | 4,018,539 | 4,326,145 | 4,558,158 | 4,278,637 | 3,553,122 | 3,114,950 | 2,960,736 |
| IL3             | 193,709   | 231,201   | 231,201   | 237,449   | 218,703   | 206,206   | 191,667                      | 165,861   | 193,072   | 210,474   | 179,149   | 141,570   | 186,707   | 165,994   |
| IN1             | 833,765   | 761,264   | 697,825   | 607,189   | 570,948   | 489,384   | 414,404                      | 388,510   | 495,979   | 511,366   | 455,563   | 395,952   | 390,532   | 382,042   |
| KY1             | 189,174   | 173,025   | 175,332   | 175,332   | 140,727   | 106,122   | 106,466                      | 128,862   | 100,316   | 95,161    | 86,305    | 106,937   | 186,173   | 285,000   |
| MA1             | 701,196   | 708,603   | 750,576   | 770,328   | 587,822   | 440,099   | 442,646                      | 419,460   | 468,092   | 578,334   | 788,404   | 728,464   | 761,390   | 844,050   |
| MD1             | 2,274,681 | 2,156,975 | 2,077,523 | 1,993,657 | 1,865,651 | 1,639,433 | 1,292,662                    | 1,234,606 | 1,264,660 | 1,342,809 | 1,179,845 | 1,148,734 | 1,244,564 | 1,264,109 |
| MD2             | 2,344,489 | 2,056,295 | 1,900,516 | 1,729,158 | 1,396,827 | 1,109,263 | 943,312                      | 954,661   | 1,240,894 | 1,130,268 | 1,156,377 | 1,460,816 | 1,760,862 | 1,989,988 |
| ME1             | 519,527   | 580,723   | 558,435   | 540,125   | 508,084   | 446,290   | 356,535                      | 307,531   | 420,349   | 426,201   | 412,544   | 355,277   | 327,461   | 260,995   |
| MI1             | 2,592,721 | 3,221,553 | 3,386,017 | 2,563,698 | 1,025,479 | 396,648   | 337,472                      | 307,965   | 230,541   | 195,437   | 158,646   | 160,298   | 279,846   | 57,320    |
| MI2             | 1,585,512 | 1,663,488 | 1,732,800 | 1,849,764 | 970,368   | 385,546   | 290,099                      | 221,192   | 243,369   | 204,895   | 210,534   | 232,991   | 246,203   | 305,148   |
| MO1             | 608,949   | 602,008   | 595,167   | 565,523   | 421,862   | 358,012   | 297,382                      | 270,181   | 282,860   | 291,334   | 319,214   | 328,314   | 265,217   | 244,643   |
| MO2             | 753,504   | 725,448   | 769,536   | 777,552   | 737,472   | 585,168   | 521,701                      | 488,605   | 493,470   | 479,379   | 474,468   | 540,880   | 876,041   | 763,857   |
| MS1             | 280,864   | 288,267   | 275,262   | 272,685   | 246,715   | 220,745   | 209,540                      | 186,345   | 165,598   | 196,023   | 529,692   | 536,183   | 426,535   | 430,609   |
| MT1             | 543,717   | 578,708   | 597,550   | 576,017   | 570,633   | 543,044   | 508,378                      | 495,668   | 562,067   | 549,063   | 530,930   | 544,985   | 566,502   | 577,194   |
|                 | 72,144    | 66,132    | 45,050    | 30,060    | 21,042    | 18,036    | 30,223                       | 16,776    | 11,259    | 24,696    | 30,750    | 28,946    | 28,195    | 41,537    |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**On-Level Earned Premium**

| (1)             | (18)       | (19)       | (20)       | (21)       | (22)       | (23)       | (24)                            | (25)       | (26)       | (27)       | (28)       | (29)       | (30)       | (31)       |
|-----------------|------------|------------|------------|------------|------------|------------|---------------------------------|------------|------------|------------|------------|------------|------------|------------|
| State/Territory | 1992       | 1993       | 1994       | 1995       | 1996       | 1997       | On-Level Earned Premium<br>1998 | 1999       | 2000       | 2001       | 2002       | 2003       | 2004       | 2005       |
| NC1             | 1,719,922  | 1,743,135  | 1,780,018  | 1,781,121  | 1,719,922  | 1,551,095  | 1,322,880                       | 1,270,988  | 1,653,537  | 1,531,894  | 1,580,798  | 1,635,920  | 1,597,584  | 1,680,984  |
| ND1             | 76,510     | 94,362     | 99,463     | 104,564    | 96,913     | 86,309     | 50,998                          | 29,733     | 142,159    | 66,411     | 96,963     | 101,768    | 92,943     | 19,326     |
| NE1             | 115,600    | 85,000     | 83,300     | 83,300     | 78,200     | 63,588     | 63,588                          | 50,792     | 46,749     | 49,454     | 35,972     | 20,493     | 23,795     | 15,810     |
| NH1             | 728,112    | 650,100    | 747,024    | 907,776    | 584,996    | 208,032    | 110,141                         | 118,177    | 107,451    | 115,777    | 113,863    | 103,496    | 98,462     | 116,714    |
| NJ1             | 637,378    | 541,170    | 489,630    | 458,706    | 441,526    | 459,444    | 414,168                         | 483,454    | 735,302    | 846,029    | 1,000,513  | 1,151,753  | 1,328,450  | 1,344,393  |
| NM1             | 172,532    | 199,075    | 217,655    | 207,038    | 172,532    | 153,951    | 124,578                         | 127,148    | 130,483    | 107,214    | 100,775    | 107,675    | 124,272    | 133,216    |
| NV1             | 84,371     | 96,424     | 96,424     | 104,459    | 108,477    | 141,623    | 139,211                         | 137,378    | 136,950    | 135,734    | 176,701    | 186,776    | 161,948    | 128,598    |
| NY1             | 3,363,701  | 3,080,066  | 3,012,834  | 3,008,632  | 2,901,481  | 2,686,654  | 2,084,811                       | 2,011,864  | 2,470,486  | 2,664,189  | 2,938,853  | 2,705,342  | 2,579,408  | 2,566,565  |
| NY2             | 2,941,893  | 2,788,139  | 2,789,884  | 2,788,139  | 2,810,568  | 2,701,009  | 2,146,725                       | 2,101,914  | 2,255,887  | 2,417,430  | 3,155,937  | 2,284,470  | 2,284,470  | 2,406,803  |
| NY3             | 1,493,181  | 1,448,146  | 1,434,073  | 1,418,592  | 1,390,445  | 1,328,171  | 1,049,631                       | 984,821    | 1,219,856  | 1,292,780  | 1,461,524  | 1,256,031  | 1,214,318  | 1,183,321  |
| NY4             | 272,676    | 277,745    | 270,649    | 267,608    | 269,635    | 248,095    | 217,975                         | 213,640    | 281,213    | 227,296    | 264,538    | 215,047    | 211,754    | 206,306    |
| NY5             | 1,018,440  | 992,979    | 990,150    | 1,010,896  | 976,005    | 910,938    | 752,300                         | 726,550    | 868,893    | 801,610    | 957,910    | 777,288    | 748,945    | 746,802    |
| OH1             | 3,040,019  | 3,021,345  | 2,961,591  | 2,969,060  | 2,896,429  | 2,200,852  | 2,006,978                       | 1,786,954  | 2,131,165  | 2,147,522  | 2,172,024  | 2,274,350  | 2,403,067  | 2,900,796  |
| OK1             | 238,080    | 249,653    | 248,000    | 239,573    | 254,613    | 219,480    | 187,984                         | 189,651    | 223,828    | 203,931    | 198,557    | 209,301    | 313,947    | 467,188    |
| OR1             | 736,121    | 745,498    | 764,253    | 754,875    | 717,366    | 632,970    | 576,675                         | 557,142    | 692,028    | 660,476    | 494,044    | 595,516    | 566,160    | 708,943    |
| SC1             | 309,987    | 273,996    | 249,615    | 229,878    | 204,336    | 190,694    | 174,622                         | 165,765    | 190,489    | 218,766    | 281,182    | 255,471    | 270,903    | 439,979    |
| SD1             | 61,964     | 38,359     | 32,457     | 41,309     | 50,161     | 41,309     | 30,982                          | 33,080     | 34,558     | 43,590     | 31,858     | 30,193     | 23,853     | 305,355    |
| TN1             | 118,100    | 151,562    | 141,720    | 114,763    | 102,353    | 84,638     | 82,134                          | 88,775     | 90,892     | 77,822     | 71,406     | 70,635     | 93,596     | 18,960     |
| TX1             | 5,447,707  | 5,425,380  | 5,151,878  | 4,888,600  | 3,025,263  | 2,196,386  | 2,133,657                       | 1,863,178  | 2,132,911  | 1,940,845  | 1,682,879  | 1,913,187  | 1,298,960  | 92,282     |
| TX2             | 2,217,688  | 2,217,688  | 2,338,844  | 1,996,446  | 1,443,341  | 1,322,184  | 1,318,307                       | 1,021,093  | 1,076,254  | 982,689    | 917,021    | 993,632    | 812,027    | 1,311,324  |
| TX3             | 0          | 0          | 0          | 273,357    | 323,059    | 267,145    | 258,383                         | 196,055    | 144,600    | 147,764    | 186,143    | 135,468    | 88,570     | 785,667    |
| TX4             | 89,587     | 87,347     | 80,628     | 67,190     | 312,596    | 444,851    | 352,987                         | 332,070    | 332,592    | 310,468    | 349,324    | 384,242    | 389,340    | 341,630    |
| UT1             | 3,203,861  | 3,035,721  | 2,882,781  | 2,683,670  | 1,379,349  | 662,882    | 55,812                          | 76,079     | 84,045     | 620,909    | 1,211,701  | 1,324,164  | 64,165     | 65,289     |
| VA1             | 0          | 0          | 0          | 0          | 64,950     | 71,869     | 58,429                          | 585,984    | 674,577    | 620,909    | 850,613    | 850,613    | 752,776    | 715,739    |
| VA2             | 0          | 0          | 0          | 0          | 286,235    | 344,543    | 278,964                         | 247,585    | 281,328    | 281,328    | 288,825    | 288,825    | 302,002    | 320,893    |
| VA3             | 0          | 0          | 0          | 0          | 409,527    | 550,029    | 481,635                         | 502,921    | 494,651    | 555,340    | 874,462    | 592,950    | 302,002    | 320,893    |
| VT1             | 139,000    | 142,707    | 140,853    | 131,587    | 127,880    | 124,173    | 89,147                          | 99,449     | 124,661    | 121,486    | 116,268    | 110,535    | 117,002    | 640,534    |
| WA1             | 833,968    | 811,954    | 795,421    | 766,029    | 687,032    | 637,898    | 563,270                         | 541,605    | 583,448    | 560,641    | 566,285    | 602,761    | 578,171    | 137,006    |
| WI1             | 1,648,712  | 1,595,741  | 1,562,635  | 1,496,421  | 1,284,539  | 886,222    | 591,547                         | 481,118    | 408,885    | 388,467    | 332,034    | 247,089    | 177,855    | 614,148    |
| WV1             | 312,480    | 312,480    | 312,480    | 326,430    | 351,540    | 351,540    | 396,900                         | 340,643    | 478,656    | 514,940    | 451,607    | 457,549    | 442,690    | 192,422    |
| WY1             | 29,982     | 36,645     | 46,639     | 49,970     | 43,307     | 19,988     | 4,997                           | 4,997      | 5,011      | 2,670      | 5,558      | 0          | 5,971      | 426,982    |
|                 | 69,200,108 | 68,707,772 | 67,804,042 | 64,960,484 | 55,731,448 | 46,628,103 | 40,257,172                      | 37,621,294 | 44,053,483 | 45,398,602 | 48,777,555 | 44,833,675 | 42,895,105 | 44,454,306 |



**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Exhibit 2

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

**Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE**

| (1)<br>Accident<br>Year | (2)<br>Method 1:<br>Incurred | (3)<br>Method 2:<br>Paid | (4)<br>Indicated<br>Ultimate | (5)<br>Selected<br>Ultimate |
|-------------------------|------------------------------|--------------------------|------------------------------|-----------------------------|
| 1992                    | 27,110,239                   | 27,110,234               | 27,110,236                   | 27,110,236                  |
| 1993                    | 27,779,198                   | 27,776,188               | 27,777,693                   | 27,777,693                  |
| 1994                    | 17,680,345                   | 17,812,211               | 17,746,278                   | 17,746,278                  |
| 1995                    | 17,142,560                   | 17,413,887               | 17,278,224                   | 17,278,224                  |
| 1996                    | 21,819,215                   | 21,788,604               | 21,803,910                   | 21,803,910                  |
| 1997                    | 16,093,335                   | 16,047,718               | 16,070,526                   | 16,070,526                  |
| 1998                    | 23,470,195                   | 23,335,046               | 23,402,620                   | 23,402,620                  |
| 1999                    | 16,778,611                   | 16,578,737               | 16,678,674                   | 16,678,674                  |
| 2000                    | 16,722,646                   | 16,300,365               | 16,511,506                   | 16,511,506                  |
| 2001                    | 22,210,126                   | 20,991,921               | 21,601,024                   | 21,601,024                  |
| 2002                    | 16,444,609                   | 15,440,828               | 15,942,718                   | 15,942,718                  |
| 2003                    | 16,477,991                   | 22,692,920               | 19,585,455                   | 19,585,455                  |
| 2004                    | 24,727,773                   | 31,745,496               | 28,236,634                   | 28,236,634                  |
| 2005                    | 32,004,007                   | 34,898,483               | 33,451,245                   | 33,451,245                  |
|                         | <b>296,460,851</b>           | <b>309,932,637</b>       | <b>303,196,744</b>           | <b>303,196,744</b>          |

US-1000

1/5

1/19/2007 2:58 PM

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE  
Method 1: Incurred Projection

| (1)              | (2)         | (3)                | (4)                              | (5)                  |
|------------------|-------------|--------------------|----------------------------------|----------------------|
| Accident<br>Year | Incurred    | Ultimate<br>Factor | Indicated<br>Ultimate<br>(2)*(3) | Selected<br>Ultimate |
| 1992             | 27,110,234  | 1.000              | 27,110,239                       | 27,110,239           |
| 1993             | 27,776,188  | 1.000              | 27,779,198                       | 27,779,198           |
| 1994             | 17,674,915  | 1.000              | 17,680,345                       | 17,680,345           |
| 1995             | 17,130,884  | 1.001              | 17,142,560                       | 17,142,560           |
| 1996             | 21,788,604  | 1.001              | 21,819,215                       | 21,819,215           |
| 1997             | 16,047,718  | 1.003              | 16,093,335                       | 16,093,335           |
| 1998             | 23,335,046  | 1.006              | 23,470,195                       | 23,470,195           |
| 1999             | 16,578,737  | 1.012              | 16,778,611                       | 16,778,611           |
| 2000             | 16,300,365  | 1.026              | 16,722,646                       | 16,722,646           |
| 2001             | 20,991,921  | 1.058              | 22,210,126                       | 22,210,126           |
| 2002             | 14,654,070  | 1.122              | 16,444,609                       | 16,444,609           |
| 2003             | 12,130,990  | 1.358              | 16,477,991                       | 16,477,991           |
| 2004             | 6,701,243   | 2.205              | 14,777,299                       | 24,727,773           |
| 2005             | 4,250,957   | 5.311              | 22,576,233                       | 32,004,007           |
|                  | 242,471,871 |                    | 277,082,603                      | 296,460,851          |

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**

Countywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE

Method 1: Incurred Projection

| Accident Year | 18        | 30         | 42         | 54         | 66         | 78         | 90         | 102        | 114        | 126        | 138        | 150        | 162        | 174        |
|---------------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1992          | 2,931,755 | 10,630,389 | 20,025,068 | 28,951,353 | 21,064,139 | 23,281,762 | 23,781,857 | 26,747,803 | 26,522,479 | 26,478,361 | 26,741,643 | 26,883,373 | 26,789,867 | 27,110,234 |
| 1993          | 3,389,606 | 13,347,017 | 17,002,192 | 20,769,419 | 26,245,096 | 27,867,356 | 27,812,425 | 27,553,404 | 27,672,770 | 27,553,138 | 27,515,148 | 27,411,948 | 27,776,188 |            |
| 1994          | 2,867,288 | 7,851,502  | 15,336,726 | 17,052,009 | 16,316,703 | 17,475,817 | 17,562,268 | 17,640,540 | 17,630,724 | 17,573,976 | 17,660,126 | 17,674,915 |            |            |
| 1995          | 2,660,137 | 6,193,665  | 11,958,678 | 17,394,020 | 16,347,704 | 17,749,233 | 17,441,833 | 17,606,963 | 17,754,054 | 17,991,546 | 17,130,864 |            |            |            |
| 1996          | 2,029,601 | 7,522,563  | 11,737,181 | 16,184,626 | 15,73,906  | 21,441,833 | 21,293,761 | 21,432,366 | 21,411,239 | 21,788,604 |            |            |            |            |
| 1997          | 2,357,013 | 5,280,002  | 11,139,821 | 14,597,566 | 15,119,513 | 15,255,494 | 15,184,190 | 16,217,949 | 16,047,718 |            |            |            |            |            |
| 1998          | 3,604,716 | 11,305,531 | 17,582,450 | 21,836,063 | 25,062,935 | 21,639,437 | 22,313,081 | 23,335,046 |            |            |            |            |            |            |
| 1999          | 3,765,924 | 8,089,482  | 11,398,584 | 13,046,448 | 14,143,261 | 16,300,365 |            |            |            |            |            |            |            |            |
| 2000          | 3,183,194 | 7,026,591  | 10,583,939 | 11,718,127 | 11,997,461 |            |            |            |            |            |            |            |            |            |
| 2001          | 5,010,294 | 10,513,453 | 15,512,247 | 17,313,754 | 20,981,921 |            |            |            |            |            |            |            |            |            |
| 2002          | 5,745,476 | 8,317,937  | 11,297,214 | 14,654,070 |            |            |            |            |            |            |            |            |            |            |
| 2003          | 4,345,730 | 6,701,243  | 12,130,990 |            |            |            |            |            |            |            |            |            |            |            |
| 2004          | 3,835,464 |            |            |            |            |            |            |            |            |            |            |            |            |            |
| 2005          | 4,250,957 |            |            |            |            |            |            |            |            |            |            |            |            |            |

|      | 18-30 | 30-42 | 42-54 | 54-66 | 66-78 | 78-90 | 90-102 | 102-114 | 114-126 | 126-138 | 138-150 | 150-162 | 162-174 | 174-UR |
|------|-------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|--------|
| 1992 | 3,626 | 1,884 | 1,046 | 1,005 | 1,105 | 1,021 | 1,125  | 0,992   | 0,998   | 1,010   | 1,005   | 0,996   | 1,013   |        |
| 1993 | 3,071 | 1,643 | 1,222 | 1,264 | 1,062 | 0,991 | 0,998  | 1,012   | 0,978   | 1,010   | 0,996   | 1,013   |         |        |
| 1994 | 2,422 | 1,393 | 1,112 | 0,957 | 1,071 | 1,005 | 1,004  | 1,011   | 0,986   | 1,005   | 1,001   |         |         |        |
| 1995 | 3,035 | 1,953 | 1,455 | 1,040 | 1,066 | 0,983 | 1,009  | 1,008   | 1,013   | 0,952   |         |         |         |        |
| 1996 | 3,705 | 1,560 | 1,377 | 1,186 | 1,118 | 0,993 | 1,007  | 0,995   | 1,018   |         |         |         |         |        |
| 1997 | 2,240 | 2,110 | 1,310 | 1,036 | 1,010 | 0,995 | 1,067  | 0,990   |         |         |         |         |         |        |
| 1998 | 3,137 | 1,555 | 1,242 | 0,919 | 1,069 | 1,022 | 1,046  |         |         |         |         |         |         |        |
| 1999 | 2,148 | 1,409 | 1,145 | 1,084 | 1,035 | 1,132 |        |         |         |         |         |         |         |        |
| 2000 | 2,207 | 1,506 | 1,107 | 1,024 | 1,359 |       |        |         |         |         |         |         |         |        |
| 2001 | 2,118 | 1,482 | 1,116 | 1,212 |       |       |        |         |         |         |         |         |         |        |
| 2002 | 1,448 | 1,358 | 1,297 |       |       |       |        |         |         |         |         |         |         |        |
| 2003 | 2,010 | 1,389 |       |       |       |       |        |         |         |         |         |         |         |        |
| 2004 | 1,747 |       |       |       |       |       |        |         |         |         |         |         |         |        |

|               | 18-UR | 30-UR | 42-UR | 54-UR | 66-UR | 78-UR | 90-UR | 102-UR | 114-UR | 126-UR | 138-UR | 150-UR | 162-UR | 174-UR |
|---------------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Average       | 2,523 | 1,647 | 1,221 | 1,063 | 1,104 | 1,018 | 1,037 | 1,002  | 0,988  | 0,984  | 1,001  | 1,005  | 1,013  |        |
| Harmonic      | 2,342 | 1,613 | 1,209 | 1,051 | 1,097 | 1,016 | 1,035 | 1,002  | 0,998  | 0,994  | 1,001  | 1,004  | 1,013  |        |
| Sum-of-Square | 2,070 | 1,493 | 1,212 | 1,079 | 1,145 | 1,044 | 1,027 | 0,999  | 1,006  | 0,976  | 1,000  | 1,010  | 1,013  |        |
| Truncated     | 2,513 | 1,629 | 1,214 | 1,056 | 1,081 | 1,005 | 1,037 | 1,002  | 0,999  | 1,007  | 1,001  | 1,005  | 1,013  |        |
| Loss Weighted | 2,389 | 1,626 | 1,208 | 1,062 | 1,096 | 1,014 | 1,037 | 1,002  | 0,997  | 0,997  | 1,001  | 1,005  | 1,013  |        |
| Industry      | 2,434 | 1,628 | 1,203 | 1,058 | 1,016 | 1,004 | 1,001 | 1,000  | 1,000  | 1,000  | 1,000  | 1,000  | 1,000  |        |
| Selected      | 2,408 | 1,623 | 1,210 | 1,061 | 1,031 | 1,014 | 1,006 | 1,003  | 1,001  | 1,001  | 1,000  | 1,000  | 1,000  |        |

|          | 18-UR | 30-UR | 42-UR | 54-UR | 66-UR | 78-UR | 90-UR | 102-UR | 114-UR | 126-UR | 138-UR | 150-UR | 162-UR | 174-UR |
|----------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Selected | 5,311 | 2,205 | 1,356 | 1,122 | 1,068 | 1,026 | 1,012 | 1,006  | 1,003  | 1,001  | 1,001  | 1,000  | 1,000  | 1,000  |

Excluding NME losses

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Exhibit 2

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

**Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE  
Method 2: Paid Projection**

| (1)              | (2)         | (3)                | (4)                              | (5)                  |
|------------------|-------------|--------------------|----------------------------------|----------------------|
| Accident<br>Year | Paid        | Ultimate<br>Factor | Indicated<br>Ultimate<br>(2)*(3) | Selected<br>Ultimate |
| 1992             | 25,354,521  | 1.020              | 25,869,434                       | 27,110,234           |
| 1993             | 26,912,369  | 1.023              | 27,538,257                       | 27,776,188           |
| 1994             | 17,324,115  | 1.028              | 17,812,211                       | 17,812,211           |
| 1995             | 16,801,220  | 1.036              | 17,413,887                       | 17,413,887           |
| 1996             | 18,691,939  | 1.052              | 19,673,054                       | 21,788,604           |
| 1997             | 13,737,436  | 1.089              | 14,962,521                       | 16,047,718           |
| 1998             | 17,956,852  | 1.147              | 20,602,043                       | 23,335,046           |
| 1999             | 10,757,556  | 1.273              | 13,689,344                       | 16,578,737           |
| 2000             | 9,677,330   | 1.429              | 13,824,120                       | 16,300,365           |
| 2001             | 12,090,108  | 1.720              | 20,795,818                       | 20,991,921           |
| 2002             | 6,879,923   | 2.244              | 15,440,828                       | 15,440,828           |
| 2003             | 6,024,376   | 3.767              | 22,692,920                       | 22,692,920           |
| 2004             | 2,665,081   | 8.449              | 22,517,282                       | 31,745,496           |
| 2005             | 1,865,247   | 29.532             | 55,084,832                       | 34,898,483           |
|                  | 186,738,073 |                    | 307,916,552                      | 309,932,637          |

US-1000

4/5

1/19/2007 2:59 PM

**American Psychiatric Association Endorsed Professional Liability Insurance Program**  
**Rates Effective January 1, 2007 to December 31, 2007**

Countywide Excluding Kansas, Louisiana and Pennsylvania • 1,000,000/3,000,000 Limits

Ultimate Accident Year Losses Limited to 1,000,000 and Unlimited LAE  
 Method 2: Paid Projection

| Accident Year | 18        | 30        | 42        | 54         | 66         | 78         | 90         | 102        | 114        | 126        | 138        | 150        | 162        | 174        |
|---------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1992          | 173,402   | 1,537,468 | 6,449,595 | 10,874,568 | 15,333,158 | 17,780,267 | 20,765,726 | 24,246,985 | 24,553,898 | 24,886,066 | 24,965,090 | 25,074,828 | 25,029,805 | 25,354,521 |
| 1993          | 206,235   | 1,793,262 | 5,153,542 | 11,277,456 | 17,203,038 | 20,819,329 | 23,617,487 | 26,027,290 | 25,779,933 | 25,826,510 | 25,899,706 | 25,948,913 | 26,912,369 |            |
| 1994          | 186,024   | 1,591,560 | 5,326,478 | 9,566,975  | 11,265,293 | 12,604,147 | 15,279,905 | 17,101,473 | 17,165,972 | 17,162,932 | 17,251,537 | 17,324,115 |            |            |
| 1995          | 224,172   | 2,060,290 | 3,996,964 | 9,316,456  | 12,854,929 | 14,328,074 | 15,902,339 | 15,710,774 | 15,806,474 | 15,877,934 | 16,801,220 |            |            |            |
| 1996          | 213,758   | 1,697,692 | 5,336,443 | 8,676,059  | 11,043,028 | 15,768,708 | 15,895,289 | 15,225,095 | 15,813,296 | 16,691,539 |            |            |            |            |
| 1997          | 448,440   | 1,770,449 | 4,078,627 | 8,492,674  | 9,930,107  | 10,143,799 | 10,261,017 | 10,556,339 | 13,737,436 |            |            |            |            |            |
| 1998          | 801,162   | 2,235,628 | 5,536,368 | 10,463,384 | 11,105,669 | 11,594,581 | 12,061,026 | 17,956,652 |            |            |            |            |            |            |
| 1999          | 649,549   | 3,005,734 | 6,003,984 | 6,711,862  | 7,384,865  | 7,869,411  | 10,751,556 |            |            |            |            |            |            |            |
| 2000          | 923,047   | 2,518,516 | 3,792,989 | 4,342,114  | 4,806,515  | 8,671,330  |            |            |            |            |            |            |            |            |
| 2001          | 1,837,651 | 2,888,697 | 4,625,329 | 5,266,560  | 12,096,108 |            |            |            |            |            |            |            |            |            |
| 2002          | 1,486,831 | 2,623,828 | 4,423,361 | 5,879,923  |            |            |            |            |            |            |            |            |            |            |
| 2003          | 1,553,658 | 3,120,908 | 6,024,376 |            |            |            |            |            |            |            |            |            |            |            |
| 2004          | 1,542,676 | 2,665,081 |           |            |            |            |            |            |            |            |            |            |            |            |
| 2005          | 1,865,247 |           |           |            |            |            |            |            |            |            |            |            |            |            |

| 18-30         | 30-42 | 42-54 | 54-66 | 66-78 | 78-90 | 90-102 | 102-114 | 114-126 | 126-138 | 138-150 | 150-162 | 162-174 | 174-UI |
|---------------|-------|-------|-------|-------|-------|--------|---------|---------|---------|---------|---------|---------|--------|
| 1992          | 8,866 | 4,195 | 1,686 | 1,410 | 1,160 | 1,168  | 1,017   | 1,009   | 1,003   | 1,004   | 0,988   | 1,013   |        |
| 1993          | 8,694 | 2,874 | 2,188 | 1,525 | 1,210 | 1,134  | 1,060   | 1,030   | 1,002   | 1,003   | 1,002   |         |        |
| 1994          | 8,571 | 3,340 | 1,796 | 1,178 | 1,115 | 1,121  | 1,119   | 1,004   | 1,003   | 1,004   | 1,007   |         |        |
| 1995          | 9,191 | 1,940 | 2,331 | 1,391 | 1,105 | 1,089  | 1,007   | 1,006   | 1,005   | 1,004   | 1,004   |         |        |
| 1996          | 8,677 | 2,812 | 1,626 | 1,277 | 1,423 | 1,008  | 0,964   | 1,032   | 1,182   |         |         |         |        |
| 1997          | 3,946 | 2,304 | 2,082 | 1,169 | 1,021 | 1,012  | 1,028   | 1,301   |         |         |         |         |        |
| 1998          | 2,790 | 2,478 | 1,894 | 1,059 | 1,041 | 1,045  | 1,466   |         |         |         |         |         |        |
| 1999          | 4,627 | 1,998 | 1,118 | 1,097 | 1,069 | 1,367  |         |         |         |         |         |         |        |
| 2000          | 2,729 | 1,506 | 1,145 | 1,106 | 2,016 |        |         |         |         |         |         |         |        |
| 2001          | 1,572 | 1,601 | 1,355 | 1,929 |       |        |         |         |         |         |         |         |        |
| 2002          | 1,765 | 1,686 | 1,555 |       |       |        |         |         |         |         |         |         |        |
| 2003          | 2,009 | 1,930 |       |       |       |        |         |         |         |         |         |         |        |
| 2004          | 1,728 |       |       |       |       |        |         |         |         |         |         |         |        |
| Average       | 5,028 | 2,369 | 1,707 | 1,314 | 1,240 | 1,119  | 1,065   | 1,039   | 1,017   | 1,004   | 1,018   | 1,013   |        |
| Harmonic      | 3,218 | 2,184 | 1,616 | 1,274 | 1,190 | 1,098  | 1,056   | 1,035   | 1,017   | 1,004   | 1,017   | 1,013   |        |
| Sum-of-Square | 2,732 | 1,913 | 1,502 | 1,348 | 1,284 | 1,149  | 1,182   | 1,131   | 1,084   | 1,004   | 1,029   | 1,013   |        |
| Truncated     | 4,964 | 2,296 | 1,703 | 1,269 | 1,161 | 1,110  | 1,076   | 1,021   | 1,005   | 1,004   | 1,004   | 1,018   |        |
| Loss Weighted | 2,900 | 2,245 | 1,697 | 1,315 | 1,193 | 1,109  | 1,046   | 1,032   | 1,014   | 1,003   | 1,018   | 1,013   |        |
| Industry      | 4,400 | 2,280 | 1,584 | 1,289 | 1,153 | 1,086  | 1,051   | 1,032   | 1,014   | 1,010   | 1,007   | 1,013   |        |
| Selected      | 3,495 | 2,243 | 1,678 | 1,305 | 1,204 | 1,123  | 1,109   | 1,053   | 1,035   | 1,008   | 1,005   | 1,003   | 1,020  |

| 18-UI    | 30-UI  | 42-UI | 54-UI | 66-UI | 78-UI | 90-UI | 102-UI | 114-UI | 126-UI | 138-UI | 150-UI | 162-UI | 174-UI |
|----------|--------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Selected | 29,532 | 3,449 | 3,767 | 2,244 | 1,720 | 1,429 | 1,273  | 1,147  | 1,089  | 1,052  | 1,036  | 1,023  | 1,020  |

\* Excluding NME losses.

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania

Ultimate Claims

| (1)              | (2)      | (3)                | (4)                              | (5)                  |
|------------------|----------|--------------------|----------------------------------|----------------------|
| Accident<br>Year | Reported | Ultimate<br>Factor | Indicated<br>Ultimate<br>(2)*(3) | Selected<br>Ultimate |
| 1992             | 541      | 1.002              | 542                              | 542                  |
| 1993             | 569      | 1.003              | 571                              | 571                  |
| 1994             | 520      | 1.005              | 523                              | 523                  |
| 1995             | 504      | 1.008              | 508                              | 508                  |
| 1996             | 594      | 1.012              | 601                              | 601                  |
| 1997             | 489      | 1.018              | 498                              | 498                  |
| 1998             | 541      | 1.028              | 556                              | 556                  |
| 1999             | 624      | 1.044              | 651                              | 651                  |
| 2000             | 655      | 1.065              | 698                              | 698                  |
| 2001             | 801      | 1.092              | 875                              | 875                  |
| 2002             | 722      | 1.136              | 820                              | 820                  |
| 2003             | 681      | 1.227              | 836                              | 836                  |
| 2004             | 657      | 1.458              | 958                              | 958                  |
| 2005             | 631      | 1.979              | 1,249                            | 1,249                |
|                  | 8,529    |                    | 9,885                            | 9,885                |

American Psychiatric Association Endorsed Professionals Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007

Countywide Excluding Kansas, Louisiana and Pennsylvania

Ultimate Claims  
Method 1: Reported Projection

| Accident<br>Year | 18  | 30  | 42  | 54  | 66  | 78  | 90  | 102 | 114  | 126  | 138  | 150  | 162  | 174  |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|------|------|------|------|------|------|
| 1992             | 144 | 297 | 402 | 458 | 488 | 502 | 519 | 519 | 522  | 529  | 534  | 538  | 541  | 541  |
| 1993             | 180 | 347 | 469 | 512 | 541 | 552 | 554 | 558 | 563  | 564  | 567  | 569  | 569  | 569  |
| 1994             | 216 | 360 | 451 | 477 | 482 | 485 | 489 | 489 | 489  | 489  | 489  | 489  | 489  | 489  |
| 1995             | 212 | 324 | 402 | 439 | 453 | 459 | 462 | 462 | 462  | 462  | 462  | 462  | 462  | 462  |
| 1996             | 322 | 405 | 472 | 535 | 549 | 562 | 573 | 588 | 593  | 593  | 594  | 594  | 594  | 594  |
| 1997             | 274 | 341 | 405 | 441 | 458 | 467 | 477 | 486 | 489  | 489  | 489  | 489  | 489  | 489  |
| 1998             | 292 | 390 | 451 | 486 | 507 | 522 | 532 | 541 | 541  | 541  | 541  | 541  | 541  | 541  |
| 1999             | 362 | 455 | 516 | 556 | 590 | 609 | 624 | 638 | 655  | 655  | 655  | 655  | 655  | 655  |
| 2000             | 417 | 520 | 598 | 634 | 684 | 722 | 777 | 801 | 801  | 801  | 801  | 801  | 801  | 801  |
| 2001             | 506 | 653 | 735 | 777 | 838 | 888 | 938 | 988 | 1038 | 1088 | 1138 | 1188 | 1238 | 1288 |
| 2002             | 496 | 612 | 684 | 722 | 777 | 801 | 801 | 801 | 801  | 801  | 801  | 801  | 801  | 801  |
| 2003             | 504 | 603 | 681 | 722 | 777 | 801 | 801 | 801 | 801  | 801  | 801  | 801  | 801  | 801  |
| 2004             | 527 | 657 | 722 | 777 | 801 | 801 | 801 | 801 | 801  | 801  | 801  | 801  | 801  | 801  |
| 2005             | 631 | 722 | 777 | 801 | 801 | 801 | 801 | 801 | 801  | 801  | 801  | 801  | 801  | 801  |

Excluding NME claims and claims closed without payment.

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

| Trend                                 |       |
|---------------------------------------|-------|
| (1) Frequency Trend [page 2, (7)]     | 1.068 |
| (2) Severity Trend [page 3, (7)]      | 1.019 |
| (3) Frequency * Severity [(1)*(2)]    | 1.089 |
| (4) Frequency * Severity Weight       | 50.0% |
| (5) Pure Premium Trend [page 4, (7)]  | 1.079 |
| (6) Pure Premium Trend Weight [1-(4)] | 50.0% |
| (7) Indicated Trend [(3)*(4)+(5)*(6)] | 1.084 |
| (8) Selected Trend                    | 1.084 |



**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

**Frequency Trend**

| (1)<br>Accident<br>Year       | (2)<br>Ultimate<br>Claims<br>(Exhibit 3) | (3)<br>Earned<br>Exposures | (4)<br>Observed<br>Frequency<br>100*(2)/(3) | (5)(a)<br>Fitted<br>Frequency<br>14 Years | (5)(b)<br>Fitted<br>Frequency<br>13 Years | (5)(c)<br>Fitted<br>Frequency<br>12 Years | (5)(d)<br>Fitted<br>Frequency<br>11 Years | (5)(e)<br>Fitted<br>Frequency<br>10 Years | (5)(f)<br>Fitted<br>Frequency<br>9 Years | (5)(g)<br>Fitted<br>Frequency<br>8 Years | (5)(h)<br>Fitted<br>Frequency<br>7 Years | (5)(i)<br>Fitted<br>Frequency<br>6 Years | (5)(j)<br>Fitted<br>Frequency<br>5 Years |
|-------------------------------|--|----------------------------|---|---|---|---|---|---|--|--|--|--|--|
| 1992                          | 542                                      | 8,137                      | 6,680                                       | 6,115                                     |   |   |   |   |  |  |  |  |  |
| 1993                          | 571                                      | 7,957                      | 7,175                                       | 6,669                                     |   |   |   |   |  |  |  |  |  |
| 1994                          | 523                                      | 7,834                      | 6,674                                       | 7,273                                     | 6,496                                     |   |   |   |  |  |  |  |  |
| 1995                          | 508                                      | 7,613                      | 6,676                                       | 7,932                                     | 7,108                                     | 6,877                                     |   |   |  |  |  |  |  |
| 1996                          | 601                                      | 6,836                      | 8,797                                       | 8,651                                     | 7,778                                     | 7,558                                     |   |   |  |  |  |  |  |
| 1997                          | 498                                      | 5,930                      | 8,395                                       | 9,435                                     | 8,510                                     | 8,308                                     | 7,641                                     |   |  |  |  |  |  |
| 1998                          | 556                                      | 5,041                      | 11,037                                      | 10,290                                    | 9,312                                     | 9,131                                     | 9,201                                     | 8,850                                     |  |  |  |  |  |
| 1999                          | 551                                      | 4,793                      | 13,590                                      | 11,222                                    | 10,189                                    | 10,037                                    | 10,097                                    | 9,625                                     | 9,650                                    |  |  |  |  |
| 2000                          | 698                                      | 5,676                      | 12,291                                      | 12,239                                    | 11,149                                    | 11,032                                    | 11,080                                    | 10,467                                    | 10,496                                   | 11,247                                   |  |  |  |
| 2001                          | 875                                      | 5,834                      | 14,966                                      | 13,348                                    | 12,199                                    | 12,125                                    | 12,158                                    | 12,379                                    | 11,402                                   | 12,044                                   | 12,174                                   |  |  |
| 2002                          | 820                                      | 6,418                      | 12,775                                      | 14,557                                    | 13,348                                    | 13,327                                    | 13,342                                    | 13,463                                    | 12,394                                   | 12,897                                   | 13,002                                   | 12,082                                   |  |
| 2003                          | 836                                      | 5,897                      | 14,168                                      | 15,876                                    | 14,605                                    | 14,649                                    | 14,641                                    | 14,641                                    | 13,472                                   | 13,811                                   | 13,886                                   | 13,191                                   | 12,759                                   |
| 2004                          | 958                                      | 5,758                      | 16,635                                      | 17,314                                    | 15,980                                    | 16,101                                    | 16,066                                    | 15,922                                    | 14,643                                   | 14,790                                   | 14,830                                   | 14,401                                   | 14,328                                   |
| 2005                          | 1,249                                    | 5,971                      | 20,912                                      | 18,883                                    | 17,485                                    | 17,697                                    | 17,630                                    | 17,315                                    | 15,917                                   | 15,838                                   | 15,838                                   | 15,722                                   | 15,897                                   |
|                               |  |                            |   |   | 19,132                                    | 19,452                                    | 19,346                                    | 18,831                                    | 17,301                                   | 16,960                                   | 16,914                                   | 17,164                                   | 17,467                                   |
|                               |  |                            |   |   |   |   |   | 18,806                                    | 18,806                                   | 18,162                                   | 18,064                                   | 18,739                                   | 19,036                                   |
| (6) Indicated Frequency Trend |  |                            |   | 1,091                                     | 1,094                                     | 1,099                                     | 1,097                                     | 1,088                                     | 1,087                                    | 1,071                                    | 1,068                                    | 1,092                                    | 1,090                                    |
| (7) Selected Frequency Trend  |  |                            |   | 1,068                                     |   |   |   |   |  |  |  |  |  |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 Limits

**Severity Trend**

| (1)<br>Accident<br>Year      | (2)<br>Ultimate<br>Losses<br>(Exhibit 2) | (3)<br>Ultimate<br>Claims<br>(Exhibit 3) | (4)<br>Observed<br>Severity<br>(2)/(3) | (5)(a)<br>Fitted<br>Severity<br>14 Years | (5)(b)<br>Fitted<br>Severity<br>13 Years | (5)(c)<br>Fitted<br>Severity<br>12 Years | (5)(d)<br>Fitted<br>Severity<br>11 Years | (5)(e)<br>Fitted<br>Severity<br>10 Years | (5)(f)<br>Fitted<br>Severity<br>9 Years | (5)(g)<br>Fitted<br>Severity<br>8 Years | (5)(h)<br>Fitted<br>Severity<br>7 Years | (5)(i)<br>Fitted<br>Severity<br>6 Years | (5)(j)<br>Fitted<br>Severity<br>5 Years |
|------------------------------|--|--|--|--|--|--|--|--|---|---|---|---|---|
| 1992                         | 27,110,236                               | 542                                      | 50,029                                 | 43,734                                   |  |  |  |  |   |   |   |   |   |
| 1993                         | 27,777,693                               | 571                                      | 48,658                                 | 41,954                                   |  |  |  |  |   |   |   |   |   |
| 1994                         | 17,746,278                               | 523                                      | 33,942                                 | 40,175                                   | 40,017                                   |  |  |  |   |   |   |   |   |
| 1995                         | 17,278,224                               | 508                                      | 33,997                                 | 38,395                                   | 38,480                                   | 35,504                                   |  |  |   |   |   |   |   |
| 1996                         | 21,803,910                               | 601                                      | 36,258                                 | 36,616                                   | 36,943                                   | 34,146                                   | 35,058                                   |  |   |   |   |   |   |
| 1997                         | 16,070,526                               | 498                                      | 32,283                                 | 34,836                                   | 35,405                                   | 32,841                                   | 33,823                                   | 34,247                                   |   |   |   |   |   |
| 1998                         | 23,402,620                               | 556                                      | 42,062                                 | 33,057                                   | 33,868                                   | 31,585                                   | 32,588                                   | 32,941                                   | 32,048                                  |   |   |   |   |
| 1999                         | 16,678,674                               | 651                                      | 25,605                                 | 31,278                                   | 32,331                                   | 30,377                                   | 31,353                                   | 31,636                                   | 30,910                                  | 30,792                                  |   |   |   |
| 2000                         | 16,511,506                               | 698                                      | 23,668                                 | 29,496                                   | 30,793                                   | 29,215                                   | 30,118                                   | 30,330                                   | 29,771                                  | 29,679                                  |   |   |   |
| 2001                         | 21,601,024                               | 875                                      | 24,690                                 | 27,719                                   | 29,256                                   | 28,098                                   | 27,648                                   | 27,719                                   | 27,495                                  | 27,453                                  | 23,239                                  |   |   |
| 2002                         | 15,942,718                               | 820                                      | 18,446                                 | 25,939                                   | 26,181                                   | 25,990                                   | 26,413                                   | 26,413                                   | 26,357                                  | 26,341                                  | 23,736                                  | 22,159                                  |   |
| 2003                         | 19,585,455                               | 836                                      | 23,439                                 | 24,160                                   | 24,644                                   | 24,996                                   | 25,178                                   | 25,108                                   | 25,219                                  | 25,228                                  | 24,233                                  | 23,129                                  | 21,922                                  |
| 2004                         | 28,236,634                               | 958                                      | 29,479                                 | 22,380                                   | 23,107                                   | 24,040                                   | 23,943                                   | 23,802                                   | 24,081                                  | 24,115                                  | 24,731                                  | 24,100                                  | 23,345                                  |
| 2005                         | 33,451,245                               | 1,249                                    | 26,788                                 | 20,601                                   | 21,570                                   | 23,120                                   | 22,708                                   | 22,496                                   | 22,943                                  | 23,002                                  | 25,725                                  | 26,040                                  | 24,768                                  |
|                              |  |  |  |  |  |  |  |  |   |   | 26,222                                  | 27,011                                  | 26,191                                  |
|                              |  |  |  |  |  |  |  |  |   |   |   |   | 27,614                                  |
| (6) Indicated Severity Trend |  |  |  | 0.920                                    | 0.933                                    | 0.962                                    | 0.948                                    | 0.945                                    | 0.953                                   | 0.954                                   | 1.019                                   | 1.037                                   | 1.054                                   |
| (7) Selected Severity Trend  |  |  |  | 1.019                                    |  |  |  |  |   |   |   |   |   |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - 1,000,000/3,000,000 D.O. Limits

**Pure Premium Trend**

| (1)<br>Accident<br>Year          | (2)<br>Ultimate<br>Losses<br>(Exhibit 2) | (3)<br>Earned<br>Exposures | (4)<br>Observed<br>Pure<br>Premium<br>(2)/(3) | (5)(a)<br>Fitted<br>Pure<br>Premium<br>14 Years | (5)(b)<br>Fitted<br>Pure<br>Premium<br>13 Years | (5)(c)<br>Fitted<br>Pure<br>Premium<br>12 Years | (5)(d)<br>Fitted<br>Pure<br>Premium<br>11 Years | (5)(e)<br>Fitted<br>Pure<br>Premium<br>10 Years | (5)(f)<br>Fitted<br>Pure<br>Premium<br>9 Years | (5)(g)<br>Fitted<br>Pure<br>Premium<br>8 Years | (5)(h)<br>Fitted<br>Pure<br>Premium<br>7 Years | (5)(i)<br>Fitted<br>Pure<br>Premium<br>6 Years | (5)(j)<br>Fitted<br>Pure<br>Premium<br>5 Years |
|----------------------------------|--|----------------------------|---|---|---|---|---|---|--|--|--|--|--|
| 1992                             | 27,110,236                               | 8,137                      | 3,332   | 2,621   |   |   |   |   |  |  |  |  |  |
| 1993                             | 27,777,653                               | 7,957                      | 3,491   | 2,748   |   |   |   |   |  |  |  |  |  |
| 1994                             | 17,746,278                               | 7,634                      | 2,265   | 2,876   | 2,530   |   |   |   |  |  |  |  |  |
| 1995                             | 17,278,224                               | 7,613                      | 2,270   | 2,876   | 2,685   | 2,442   |   |   |  |  |  |  |  |
| 1996                             | 21,803,910                               | 6,836                      | 3,190   | 3,131   | 2,840   | 2,581   |   |   |  |  |  |  |  |
| 1997                             | 16,070,526                               | 5,930                      | 2,710   | 3,259   | 2,994   | 2,728   |   |   |  |  |  |  |  |
| 1998                             | 23,402,620                               | 5,041                      | 4,642   | 3,386   | 3,149   | 2,884   | 2,599   | 2,924   |  |  |  |  |  |
| 1999                             | 16,678,674                               | 4,793                      | 3,480   | 3,514   | 3,304   | 3,049   | 2,985   | 3,095   | 2,977  |  |  |  |  |
| 2000                             | 16,511,506                               | 5,676                      | 2,909   | 3,642   | 3,459   | 3,223   | 3,178   | 3,266   | 3,170  | 3,303  |  |  |  |
| 2001                             | 21,601,024                               | 5,834                      | 3,702   | 3,769   | 3,614   | 3,407   | 3,372   | 3,437   | 3,364  | 3,468  | 2,703  |  |  |
| 2002                             | 15,942,718                               | 6,418                      | 2,484   | 3,897   | 3,758   | 3,601   | 3,565   | 3,609   | 3,557  | 3,533  | 3,059  | 2,541  |  |
| 2003                             | 19,585,455                               | 5,897                      | 3,321   | 4,024   | 3,924   | 3,807   | 3,951   | 3,951   | 3,751  | 3,798  | 3,416  | 3,053  | 2,759  |
| 2004                             | 28,236,634                               | 5,758                      | 4,904   | 4,152   | 4,079   | 4,025   | 4,145   | 4,123   | 4,137  | 3,963  | 3,772  | 3,965  | 3,381  |
| 2005                             | 33,451,245                               | 5,971                      | 5,602   | 4,279   | 4,234   | 4,254   | 4,338   | 4,284   | 4,331  | 4,128  | 4,128  | 4,076  | 4,003  |
|                                  |  |                            |   |   | 4,389   | 4,497   | 4,531   | 4,465   | 4,524  | 4,293  | 4,484  | 4,588  | 4,625  |
|                                  |  |                            |   |   |   |   |   |   |  | 4,458  | 4,840  | 5,099  | 5,246  |
| (6) Indicated Pure Premium Trend |  |                            |   | 1,031   | 1,037   | 1,057   | 1,045   | 1,040   | 1,045  | 1,038  | 1,079  | 1,112  | 1,134  |
| (7) Selected Pure Premium Trend  |  |                            |   | 1,079   |   |   |   |   |  |  |  |  |  |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**Target Loss and LAE Ratio**

|  |        |
|--|--------|
| (1) Commission   | 20.5%  |
| (2) Other Acquisition Expense                            | 0.5%   |
| (3) General Expense                                      | 1.0%   |
| (4) Taxes, Licenses and Fees                             | 3.5%   |
| (5) Profit and Contingencies                             |        |
| (a) Underwriting Profit Provision                        | 10.0%  |
| (b) Contingencies  | 0.0%   |
| (c) Investment Income Offset [Exhibit 6, line (8)]       | -12.4% |
| (d) Total [(5)(a)+(5)(b)+(5)(c)]                         | -2.4%  |
| (6) Target Loss and LAE Ratio [1-(1)-(2)-(3)-(4)-(5)(d)] | 76.9%  |

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Exhibit 6

Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**Investment Income Offset**

| (1)      | (2)                               | (3)                               | (4)                          | (5)   |
|----------|-----------------------------------|-----------------------------------|------------------------------|---|
| Maturity | Ultimate<br>Factor<br>(Exhibit 2) | Payment<br>Emergence <sup>1</sup> | Discount<br>Factor<br>4.000% | Discounted<br>Payment<br>Emergence<br>(3)*(4) |
| 18       | 29.532                            | 0.034                             | 0.971                        | 0.033   |
| 30       | 8.449                             | 0.084                             | 0.934                        | 0.079   |
| 42       | 3.767                             | 0.147                             | 0.898                        | 0.132   |
| 54       | 2.244                             | 0.180                             | 0.863                        | 0.155   |
| 66       | 1.720                             | 0.136                             | 0.830                        | 0.113   |
| 78       | 1.429                             | 0.119                             | 0.798                        | 0.095   |
| 90       | 1.273                             | 0.086                             | 0.767                        | 0.066   |
| 102      | 1.147                             | 0.066                             | 0.738                        | 0.063   |
| 114      | 1.089                             | 0.047                             | 0.710                        | 0.033   |
| 126      | 1.052                             | 0.032                             | 0.682                        | 0.022   |
| 138      | 1.036                             | 0.015                             | 0.656                        | 0.010   |
| 150      | 1.028                             | 0.008                             | 0.631                        | 0.005   |
| 162      | 1.023                             | 0.005                             | 0.606                        | 0.003   |
| 174      | 1.020                             | 0.003                             | 0.583                        | 0.002   |
| Ultimate | 1.000                             | 0.020                             | 0.551                        | 0.011   |

(6) Indicated Discount Factor [total column (5)] 0.821

(7) Selected Discount Factor<sup>2</sup> 0.839

(8) Investment Income Offset  $\frac{((7)-1)}{(7)-1-(\text{Exhibit 5, (1) to (5)(b)})}$  -12.4%

<sup>1</sup>Inverse of column (2) entry less inverse of prior column (2) entry except first entry. First entry is inverse of column (2) entry.  
<sup>2</sup>Indicated discount factor tempered ten percent.

**American Psychiatric Association Endorsed Professional Liability Insurance Program  
Rates Effective January 1, 2007 to December 31, 2007**

Countrywide Excluding Kansas, Louisiana and Pennsylvania - Occurrence - 1,000,000/3,000,000 Limits

**Countrywide Indication**

| (1)              | (2)                                      | (3)                              | (4)                  | (5)                                     | (6)                                | (7)  | (8)   | (9)                |
|------------------|--|----------------------------------|----------------------|---|------------------------------------|--|---|--------------------|
| Accident<br>Year | Projected<br>Loss and LAE<br>(Exhibit 2) | Midpoint<br>Experience<br>Period | Years to<br>1/1/2008 | Trend<br>Factor<br>1.084 <sup>(4)</sup> | Trended<br>Loss and LAE<br>(2)*(5) | On-Level<br>Earned<br>Premium<br>(Exhibit 1) | Trended<br>On-Level<br>Loss and LAE<br>Ratio<br>(6)/(7) | Reported<br>Claims |
| 1992             | 27,110,236                               | 7/1/1992                         | 15.500               | 3.491                                   | 94,642,712                         | 69,200,108                                   | 136.8%  | 541                |
| 1993             | 27,777,693                               | 7/1/1993                         | 14.500               | 3.221                                   | 89,458,326                         | 68,707,772                                   | 130.2%  | 569                |
| 1994             | 17,746,278                               | 7/1/1994                         | 13.500               | 2.971                                   | 52,723,301                         | 67,804,042                                   | 77.8%   | 520                |
| 1995             | 17,278,224                               | 7/1/1995                         | 12.500               | 2.741                                   | 47,354,922                         | 64,960,484                                   | 72.9%   | 504                |
| 1996             | 21,803,910                               | 7/1/1996                         | 11.500               | 2.528                                   | 55,127,858                         | 55,731,448                                   | 98.9%   | 594                |
| 1997             | 16,070,526                               | 7/1/1997                         | 10.500               | 2.332                                   | 37,483,278                         | 46,628,103                                   | 80.4%   | 489                |
| 1998             | 23,402,620                               | 7/1/1998                         | 9.500                | 2.152                                   | 50,355,008                         | 40,257,172                                   | 125.1%  | 541                |
| 1999             | 16,678,674                               | 7/1/1999                         | 8.500                | 1.985                                   | 33,106,282                         | 37,621,294                                   | 88.0%   | 624                |
| 2000             | 16,511,506                               | 7/1/2000                         | 7.500                | 1.831                                   | 30,234,744                         | 44,053,483                                   | 68.6%   | 655                |
| 2001             | 21,601,024                               | 7/1/2001                         | 6.500                | 1.669                                   | 36,489,227                         | 45,398,602                                   | 80.4%   | 801                |
| 2002             | 15,942,718                               | 7/1/2002                         | 5.500                | 1.558                                   | 24,844,109                         | 48,777,555                                   | 50.9%   | 722                |
| 2003             | 19,585,455                               | 7/1/2003                         | 4.500                | 1.438                                   | 28,155,842                         | 44,833,675                                   | 62.8%   | 581                |
| 2004             | 28,236,634                               | 7/1/2004                         | 3.500                | 1.326                                   | 37,446,861                         | 42,895,105                                   | 87.3%   | 657                |
| 2005             | 33,451,245                               | 7/1/2005                         | 2.500                | 1.223                                   | 40,924,699                         | 44,464,306                                   | 92.0%   | 631                |

(10) Trended On-Level Loss and LAE Ratio<sup>1</sup>

(11) Credibility of Trended On-Level Loss and LAE Ratio [(1.537/1.537)<sup>0.5</sup>]

(12) Target Loss and LAE Ratio [Exhibit 5, line (6)]

(13) Indicated Countrywide Rate Level Change [((10)\*(11)\*(12)\*(1-(11)))/(12)-1]

(14) Selected Countrywide Rate Level Change

<sup>1</sup>Weighted average of last seven column (8) entries, excluding highest and lowest. On-level earned premium from column (7) used as weights.

US-1000

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
Psychiatrists Professional Liability Program  
ILLINOIS  
2007

|    |  |          |
|----|--|----------|
| I. | Base rate for \$500,000/\$1,500,000 Occurrence Coverage:                   |          |
|    | Territory 1  |          |
|    | (Cook, Dupage, Kane, Lake, Madison, McHenry, St. Clair & Vermillion, Will) | \$20,970 |
|    | Territory 2 – (Champaign, Jackson, Kankakee, LaSalle, Sangamon)            | \$16,760 |
|    | Territory 3 – (Rest of State)  | \$12,154 |

II. Limits Factors

|                         |       |
|-------------------------|-------|
| \$100,000/\$300,000     | .711  |
| \$200,000/\$600,000     | .789  |
| \$250,000/\$750,000     | .816  |
| \$300,000/\$900,000     | .842  |
| \$400,000/\$1,200,000   | .895  |
| \$500,000/\$1,500,000   | 1.000 |
| \$1,000,000/\$3,000,000 | 1.057 |
| \$2,000,000/\$6,000,000 | 1.353 |

III. Claims-made Conversion Factors (% of occurrence premium)

Number of years Claim-Made Coverage:

|                           |       |
|---------------------------|-------|
| First Year                | 0.315 |
| Second Year               | 0.585 |
| Third Year                | 0.765 |
| Fourth Year               | 0.855 |
| Fifth Year and Thereafter | 0.900 |

IV. Extended Reporting Claims Endorsement

% of mature Claims-Made Premium:

|                           |      |
|---------------------------|------|
| First Year                | 100% |
| Second Year               | 125% |
| Third Year                | 140% |
| Fourth Year               | 150% |
| Fifth Year and Thereafter | 175% |

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                             |
|----------------|-----------------------------|
| <b>Rule 1.</b> | <b>Rating Profile Items</b> |
|----------------|-----------------------------|

A member may receive the FYIP, SYIP, TYIP (&/or MILITARY) only once. The discount applies to the first (second or third) year immediately following the completion of residency or fellowship, regardless of interruption of time.

A member may receive the MIT discount more than once. The requirement is that the member is eligible for the MIT so long as the APA has reclassified his/her membership status accordingly.

If both an active part-time credit and an active F,S, TYIP credit are among the rating profile items, the higher credit of the two shall apply.

MIT credit cannot be combined with a part-time credit.

The current listing of Rating Profile Items (Program discounts, surcharges, credits & debits), is as follows:

|   |                              |           |
|---|------------------------------|-----------|
| <b>Neurology</b>  | 2x Psychiatrist Base Premium |           |
| <b>Neurology with Special Procedures</b>  | 4x Psychiatrist Base Premium |           |
| <b>Child &amp; Adolescent Psychiatry (C&amp;AP)</b>   | 15% Premium Discount         |           |
| <b>Early Career Psychiatrists (includes military)<br/>Occurrence, Modified Occurrence and Claims-made<br/>Pre-Paid Tail Policies only</b> | FYIP                         | 60%Credit |
|   | SYIP                         | 40%Credit |
|   | TYIP                         | 35%Credit |
| <b>Early Career Psychiatrists (includes military)<br/>Claims-Made Policies only</b>   | FYIP                         | 50%Credit |
|   | SYIP                         | 25%Credit |
|   | TYIP                         | 25%Credit |
| <b>Member in Training (MIT)</b>   | 50%Credit                    |           |
| <b>Part-Time Practice</b>   | 1-10 Hours                   | 50%Credit |
|   | 11-15Hours                   | 40%Credit |
|   | 16-20Hours                   | 30%Credit |
| <b>Experience &amp; Schedule Rating Program</b>   | See separate sections        |           |
| <b>Psychoanalytic Certification</b>   | 5%Credit                     |           |
| <b>Risk Management Seminar</b>  | 5%Credit                     |           |



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                            |
|----------------|----------------------------|
| <b>Rule 2.</b> | <b>Vicarious Liability</b> |
|----------------|----------------------------|

The additional premium for vicarious liability coverage is determined as follows:

**VICARIOUS LIABILITY  
Additional Premium for Separate Limit  
(Policy Coverage B)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 0-3                                      | 10%  |
| 4-10                                     | 25%  |
| 11-25                                    | 50%  |
| Over 25                                  | 100%   |

**VICARIOUS LIABILITY  
Additional Premium for Shared Limit  
(Policy Coverage A)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 1-3                                      | 5%   |
| 4-10                                     | 15%  |
| 11-25                                    | 25%  |
| Over 25                                  | 100%   |

|                |                         |
|----------------|-------------------------|
| <b>Rule 3.</b> | <b>Premium Rounding</b> |
|----------------|-------------------------|

All premiums shall be rounded to the nearest whole dollar. Amounts that are less than 50 cents shall be dropped. Increase amounts that are 50 cents or more to the next whole dollar.

Rounding procedures to be followed are taken from the Insurance Service Office, Inc. rules.

**RATES:** Round rates, factors and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill, e.g., .1245 = .125

**PREMIUM:** Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$.50 or over the next higher whole dollar.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                           |
|----------------|---------------------------|
| <b>Rule 4.</b> | <b>Maximum 50% Credit</b> |
|----------------|---------------------------|

Maximum 50% credit (discount) applies subject to the following **exclusions:**

- First Year in Practice (FYIP is 60%)
- Experience factor is not included
- Schedule factor is not included
- Psychoanalytic Cert. factor is not included
- Risk Management Seminar factor is not included
- Child and Adolescent (C & AP) is not included

|                |                               |
|----------------|-------------------------------|
| <b>Rule 5.</b> | <b>Prior Acts Endorsement</b> |
|----------------|-------------------------------|

The following rating is used when a member converts the claims-made policy to occurrence and does not purchase extended reporting endorsement from the prior carrier. Prior Acts Endorsement will be effective the inception date of the occurrence policy and cover claims reported after the cancellation date which occurred between the retroactive date and cancellation date of the claims-made policy.

This rating will be used in situations where the member's most recent previous carrier was The Psychiatrists' Program and for some reason the member allowed occurrence policy to lapse. The lapsed period cannot exceed one year and must meet acceptable underwriting criteria.

|  |                            |
|--|----------------------------|
| 1 <sup>st</sup> year in CLAIMS MADE Coverage           | 70% of Occurrence Premium  |
| 2 <sup>nd</sup> year in CLAIMS MADE Coverage           | 110% of Occurrence Premium |
| 3 <sup>rd</sup> year in CLAIMS MADE Coverage           | 135% of Occurrence Premium |
| 4 <sup>th</sup> year in CLAIMS MADE Coverage           | 145% of Occurrence Premium |
| 5 <sup>th</sup> year and after in CLAIMS MADE Coverage | 160% of Occurrence Premium |

|                |  |
|----------------|--|
| <b>Rule 6.</b> | <b>Tail Coverage (Extended Reporting Period)</b> |
|----------------|--|

Tail premium calculation process is EXACTLY the same process as for Primary Coverage regarding the application of all discounts, surcharges, credits, & debits, including short rate and prorata factors.

Tail pricing is based off of the Numbers of Years written under a Claims Made contract.

**FREE TAIL COVERAGE**

- Claims-Made Contract.** Tail coverage is free in the event of DEATH or PERMANENT DISABILITY, or when a member reaches age 55 or older and has been insured under a Psychiatrists' Program Claims-Made contract for at least 5 consecutive years immediately prior to permanent retirement. It is also free when a member has been insured with the Psychiatrists' Program under a claims-made contract for 10 consecutive or more years provided at the time of cancellation, the annual premium has **not been** experience rated anytime during the ten year period and the insured requested the cancellation of coverage.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 6.</b> | <b>Tail Coverage (Extended Reporting Period) (cont'd.)</b> |
|----------------|--|

2.     **Modified Occurrence Contract.**     Tail coverage is included at no additional cost upon termination or non-renewal, for any reason.
  
3.     **Claims-Made with Prepaid Tail Contract.**     Same as Modified Occurrence Contract.

|                |                                     |
|----------------|-------------------------------------|
| <b>Rule 7.</b> | <b>Experience Rating Guidelines</b> |
|----------------|-------------------------------------|

The following Experience Rating Guidelines applies:

**Severity –**

(Use last five-year experience period prior to renewal application)

|  |  |
|--|--|
| Indemnity payment \$30,000 to \$50,000                                   | 10% per claim  |
| Indemnity payment \$50,001 to \$99,999                                   | 20% per claim  |
| Open or closed claim with Indemnity payment or reserve \$100,000 or more | 30% per claim plus 10% each \$50,000 increment above \$100,000 |

**Frequency** (Open and Closed claims with incurred and/or reserved indemnity and expenses totaling \$10,000 and above).

|   |                |
|---|----------------|
| Two claims reported within any 12-month period in last three years. | 25% each claim |
| Three claims reported within last five years.                       | 50% each claim |

**Liability** (Open and closed claims within last 5 years)

|   |                 |
|---|-----------------|
| a. Deviation from standard of care        | 50%-non-renewal |
| b. Non-cooperation with policy conditions | 50%-non renewal |
| c. Undue familiarity                      |                 |
| Insured admission                         | non-renewal     |
| Settlement by carrier and/or insured      | non-renewal     |

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program</b> |
|----------------|--|

The following schedule rating criteria can be used to establish the adjusted annual premium per participant.

Refer to the following, which discusses the underwriting intention for considering risk characteristics not otherwise contemplated in the base rate.

The rating schedule is intended to create an overall risk profile of the insured. Multiple characteristics should be weighted and evaluated based on measurable statistics, (i.e. practice time, number of patients, length of training or experience or lack thereof, etc)

This program is mandatory and to be administered consistently with each insured or prospective insured.

**Schedule rating characteristics**

*Adjustment to base rate of +/- 40% requires management approval except where indicated below.*

**A. PRACTICE SETTING:**

**Detention Facilities:** This includes jails, juvenile centers, detention centers and prisons. Risks associated with this exposure are generally related to frequency rather than severity. Individuals kept in these facilities are typically litigious who spend significant time reviewing case law and figuring out ways to file suits. (Jail House Lawyers). In most **federal** facilities, the employees enjoy sovereign immunity, which means they cannot be sued. Therefore, our physician which is usually a contractor is left as the “deep pocket” and the only person available for potential recovery of alleged damages.

All other type of government or community facilities may or may not have statutes protecting the employees against liability. It will vary by state and county. There may also be protection for these individuals through the facility’s professional liability insurance carrier. Hold harmless indemnification clauses are standard in these contractual relationships. Therefore, it is important to understand the working arrangement between the insured and the facility to measure the degree of increased liability for our participant. **5% debit**

**Patient recruitment practices:** The probability of increased liability is common for those practices utilizing techniques for patient recruitment considered entrepreneurial and absent of credible medical necessity. For example, advertisements made outside of the practice area, bonuses given for patient referrals or profits generated by the care the physicians and other treating professionals rendered to their patients are some examples of techniques that could cause litigation.

The Underwriter should review the entire profile of the participant to determine the extent of increased liability if they are involved in a practice location or facility that engages in this activity. As a result of increased media concentration on these practices, many facilities have taken measures to terminate these

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

practices. However, the amount of time the participant has been associated with this activity should be considered. **40% debit or convert the insured to a claims – made policy form.**

**Home based practice:** An insured working from the home is not uncommon in the practice of psychiatry. Many part-time women, who also are raising a family and want to continue practicing, conduct a small practice from their home. It is however, also understood that these individuals, maintain relationships with the community and medical mental health professionals for continued education and referral capabilities.

The liability for a participant is considered increased when an individual has chosen to work from the home because they cannot obtain clinical or hospital affiliations. The ongoing mentoring of colleagues is not present and the psychiatrist has no peer review of his/her practice activities. This practice profile may require intervention and additional interviewing by PRMS risk management to ascertain the degree of adverse risk. **30% debit**

**Facility has been subject to license or accreditation disciplinary action or federal investigation or prosecution, mass tort litigation or investigative reporting.** If an insured is affiliated with a facility that has recently been subject to any of these issues it is probable that the insured may have an increased liability. The effect of patient knowledge of these actions and media attention could place our insured in a position to be “guilty by association”.

The underwriter should utilize all reference information relative to this facility and determine the degree of involvement of our insured directly related to the facility’s adverse risk characteristics. **40% debit**

**Clinical teaching activities exceed 50% of total practice time:** Although the insured involved in this activity is competent to teach other medical professionals, the increase of patient volume related to this activity is considered an additional liability exposure. **10% debit**

**B. NATURE AND SCOPE OF PRACTICE**

**Treatment of Borderline Personalities and Multiple Personality disorders:** Incidental treatments of these disorders are contemplated in the base rates. However, the underwriter should consider the number of patients and time devoted by the participant to these treatments. In addition, treatment modality must be questioned by the underwriter and discussed with PRMS risk management for unconventional activities by the insured. **40% debit**

**Treatment of pain management:** Patients seeking psychiatric services for the management of pain are almost always associated with other medical treatments or illnesses. For this reason, treatment of pain management can increase the liability where our insured would be involved in a claim along with other treating physicians. The underwriter should discuss the volume of patients and practice time devoted to this activity. In addition, the treatment modalities should be discussed with PRMS risk management to

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

determine standard of care. Psychiatrists utilizing anesthesia for pain management is to be referred to management for consideration of continued insurability. **40% debit**

**Use of abreaction, rage; sodium amytal, sex and recovered memory therapies:** The base rate does not contemplate treatment by use of these types of therapies. Any insured utilizing these therapies should be discussed with PRMS risk management after the underwriter has secured information from the participant regarding the patient volume and practice time affiliated with these therapies. All insured members utilizing these therapies should be referred to management for consideration of continued insurability. **40% debit**

**Supervision of/Consultation with professionals in 2, 3 and 4 above:** Although the insured may not directly treat patients or use these therapies, they incur vicarious liability for the supervision of professionals who do. In addition, consultation is defined as professional services rendered and does not decrease the insured liability. Therefore, the premium should be increased as a result of this exposure. **40% debit**

**Above average daily patient volume:** An average daily patient volume of 25 is contemplated in the base rates. Any practice where the patient volume is greater should be considered as an increased risk and priced accordingly. **30% debit**

**Adverse risk not contemplated in the base rate:** This category should be used when the underwriter determines that the participant's exposure generates a risk not otherwise discussed in the above criteria and was not contemplated in the usual and customary definition of psychiatric professional services but meets underwriting approval for coverage. Use of this category requires management approval in all cases.

|                |                       |
|----------------|-----------------------|
| <b>Rule 9.</b> | <b>Group Accounts</b> |
|----------------|-----------------------|

**Eligibility**

The medical groups that will be considered for Coverage B of the policy will be professional corporations, partnerships, or associations operated by behavioral healthcare professionals. The entity will also have psychiatrist affiliation with at least 50 % of the psychiatrists being members in good standing with the American Psychiatric Association.

**Rates**

Each Psychiatrist Insured will be rated in accordance with the individual program rules and rates.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

Individual coverage for other behavioral healthcare professionals will be rated as a percentage of the psychiatrist rate for that rating area.

- Psychologists: .20
- Social Workers .03
- Therapists: .03
- Nurses: .05
- Nurse Practitioner .30

Vicarious liability coverage for the medical group for employed or contracted behavioral healthcare providers not insured under the policy will be priced at 10% of the otherwise applicable premium rate (including discounts).

Medical group premium will be priced based on the following:

| <u>Number of<br/>Insured employees/contractors.</u> | <u>Percentage of<br/>Insured Psychiatrist Base Rate</u> |
|---|---|
| 2-5   | 10%   |
| 6-10  | 15%   |
| 11-20   | 20%   |
| over 20   | 25%   |

The sum of the individuals, medical group and vicarious liability premium will determine the total premium of the medical group.

Non-psychiatrist insureds can share the limit of liability of the medical group.

The base rate for each insured sharing the limit with the group entity will be reduced by 10% when the total number of insured psychiatrists in the group exceeds 5 on an annual basis.

The base rate for each insured sharing the limit with the group entity will be reduced by 5% when the total number of insured psychiatrists in the group is 5 or less on an annual basis.

A schedule rating credit/debit can then be applied to the total premium of the medical group in accordance with the Schedule Rating Group Rules, (see attached).

**Limits of Liability**

Refer to policy Limits of Liability Section, Coverage A and Coverage B for application of limits for individual insureds, medical corporations, partnerships, and associations. Refer to the rate schedule for the applicable limits for each state.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

**Claims-Made**

The retroactive date can be advanced only at the request or with the written acknowledgment of the insured.

**Group Vicarious Liability Surcharge Endorsement**

If a scheduled insured under the group policy terminates coverage and does not elect to purchase the extended reporting endorsement, the group premium will be surcharged 10% of the quoted ERP premium. The surcharge is applicable as a result of the vicarious liability exposure to the group for the professional services rendered by the insured while working on behalf of the group. The surcharge will be waived if the cancelled insured provides proof of prior acts coverage from the new carrier for the period insured under the group policy.

**Other Physician Coverage**

The Program will consider coverage for individual physicians affiliated with the medical group who are not psychiatrists (i.e. internists, pediatricians, family/general practice). The rate for these physicians will be calculated in accordance with the **filed** class relativity differential (psychiatry to other specialty) of the major medical professional liability insurance carrier in that state. The calculated relativity will then be applied to the base psychiatry rate used in this Program's individual rates.

**Outside Medical Group Practice Activity**

Coverage will be considered for an insured who has a medical practice outside the scope of his/her affiliation with the medical group. The outside practice is subject to underwriting and if accepted will be rated in accordance with the medical specialty rate and total practice hours applicable to all practice activities for which coverage has been provided.

|                 |  |
|-----------------|--|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts</b> |
|-----------------|--|

The following modifications may be applied to recognize special characteristics that are not fully recognized in the basic rate(s) or premium. The maximum credit/debit shall not exceed +/-5. The schedule rating program is mandatory and to be administered consistently for each insured or prospective insured.

**Management (+/- 5)**

Management has demonstrated adequate control and monitoring of the risks and exposures of the organization. The financial condition of the Medical Group is favorable. An example of a

Medical Group which would receive a credit would employ a dedicated risk manager and have favorable financial ratios.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |   |
|-----------------|---|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts (Cont'd)</b> |
|-----------------|---|

**Employees (+/-5)**

The applicant has established a continuing professional education program for its employees and encourages certification in their respective specialties. There must be a statement in the employee handbook advocating continuing education. The Medical Group agrees to pay all or some of the tuition fees and/or related educational expenses. Further, the composition of the Medical Group will be 50% or greater of the employee population having board certification or similar advanced degrees for a maximum credit to be granted. If the percentage is lower, but still substantial, and the other criteria described above are met, a lesser credit may be granted. If none of the above, a debit will be made.

**Risk Management (+/-5)**

The applicant has an established and working risk management program to minimize the frequency and severity of claims. A Medical Group which has an incident reporting system, occurrence screening, and other mechanisms to address potential and actual claims would receive a maximum credit. If none of these mechanisms are in place, a debit will be made.

**Medical Records/Informed Consent (+/-5)**

The applicant has a system in effect for concurrent and retrospective review of medical records and informed consent documents. If the Medical Group has a medical records system only or an informed consent system only, no debit or credit is available. If both systems are in effect, a credit is available. If neither system is in effect, a debit will be made.

**Performance of experimental procedures (+/-5)**

If the medical group practice includes procedures that are considered experimental, but that are performed within the prescribed guidelines, controlled studies, or : “protocol” established by the manufacturer or similar entity, there will be no debit or credit, however if the experimental procedures are not subject to the protocol, a debit of up to 10% will be applied. Since the underlying program’s rates reflect the assumption that insureds will not be performing experimental procedures, no credit will be given under any circumstances and under this category i.e. there will be no credit if experimental procedures are not utilized.

|                 |                     |
|-----------------|---------------------|
| <b>Rule 11.</b> | <b>Locum Tenens</b> |
|-----------------|---------------------|

A Locum Tenens (“hold the place of”) works in place of a Named Insured or Additional Named Insured, never at the same time. The Locum Tenens doctor must be underwritten in the same specialty classification as the Named Insured or Additional Named Insured. The program will allow Locum Tenens coverage for a maximum total of 45 days each policy year.

There is no charge for this coverage.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |                                |
|-----------------|--------------------------------|
| <b>Rule 12.</b> | <b>Suspension of Insurance</b> |
|-----------------|--------------------------------|

An insured may request suspension of insurance, due to disability or to accommodate a sabbatical leave of training. The insured will not be covered for claims or suits which arise based on an occurrence within the period of suspension. The insured is entitled to report claims during the period of suspension which arise from occurrences when the policy was in force and not on suspense.

Suspension may be secured for a minimum period of 90 consecutive days and for a maximum of one year. This option is allowed only once every four years except for reason of disability.

Billing for the current quarter(s) is suppressed, and a refund for the quarter(s) or remainder of quarter(s) affected is made to the insured.

Charge 25% of the claims-made rate.

|                 |                               |
|-----------------|-------------------------------|
| <b>Rule 13.</b> | <b>Policy Minimum Premium</b> |
|-----------------|-------------------------------|

A minimum annual premium of \$1000.00 for any one policy with limits of \$1,000,000/\$3,000,000 or lower will be applied.

A minimum annual premium of \$2000.00 for any one policy with limits of \$2,000,000/\$6,000,000 will be applied.

|                 |   |
|-----------------|---|
| <b>Rule 14.</b> | <b>Quarterly Premium Installment Plan</b> |
|-----------------|---|

**Quarterly Premium Installment Plan:** The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

|                |   |     |
|----------------|---|-----|
| First Quarter  | = | 40% |
| Second Quarter | = | 20% |
| Third Quarter  | = | 20% |
| Fourth Quarter | = | 20% |

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                             |
|----------------|-----------------------------|
| <b>Rule 1.</b> | <b>Rating Profile Items</b> |
|----------------|-----------------------------|

A member may receive the FYIP, SYIP, TYIP (&/or MILITARY) only once. The discount applies to the first (second or third) year immediately following the completion of residency or fellowship, regardless of interruption of time.

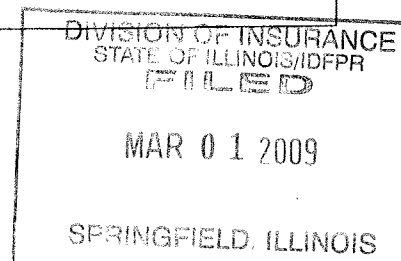
A member may receive the MIT discount more than once. The requirement is that the member is eligible for the MIT so long as the APA has reclassified his/her membership status accordingly.

If both an active part-time credit and an active F,S, TYIP credit are among the rating profile items, the higher credit of the two shall apply.

MIT credit cannot be combined with a part-time credit.

The current listing of Rating Profile Items (Program discounts, surcharges, credits & debits), is as follows:

|   |                              |           |
|---|------------------------------|-----------|
| <b>Neurology</b>  | 2x Psychiatrist Base Premium |           |
| <b>Neurology with Special Procedures</b>  | 4x Psychiatrist Base Premium |           |
| <b>Child &amp; Adolescent Psychiatry (C&amp;AP)</b>   | 15% Premium Discount         |           |
| <b>Early Career Psychiatrists (includes military)<br/>Occurrence, Modified Occurrence and Claims-made<br/>Pre-Paid Tail Policies only</b> | FYIP                         | 60%Credit |
|   | SYIP                         | 40%Credit |
|   | TYIP                         | 35%Credit |
| <b>Early Career Psychiatrists (includes military)<br/>Claims-Made Policies only</b>   | FYIP                         | 50%Credit |
|   | SYIP                         | 25%Credit |
|   | TYIP                         | 25%Credit |
| <b>Member in Training (MIT)</b>   | 50%Credit                    |           |
| <b>Part-Time Practice</b>   | 1-10 Hours                   | 50%Credit |
|   | 11-15Hours                   | 40%Credit |
|   | 16-20Hours                   | 30%Credit |
| <b>Experience &amp; Schedule Rating Program</b>   | See separate sections        |           |
| <b>Psychoanalytic Certification</b>   | 5%Credit                     |           |
| <b>Risk Management Seminar</b>  | 5%Credit                     |           |



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                            |
|----------------|----------------------------|
| <b>Rule 2.</b> | <b>Vicarious Liability</b> |
|----------------|----------------------------|

The additional premium for vicarious liability coverage is determined as follows:

**VICARIOUS LIABILITY  
Additional Premium for Separate Limit  
(Policy Coverage B)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 0-3                                      | 10%  |
| 4-10                                     | 25%  |
| 11-25                                    | 50%  |
| Over 25                                  | 100%   |

**VICARIOUS LIABILITY  
Additional Premium for Shared Limit  
(Policy Coverage A)**

| No. of Employees/Independent Contractors | Percent of final individual modified premium |
|--|--|
| 1-3                                      | 5%   |
| 4-10                                     | 15%  |
| 11-25                                    | 25%  |
| Over 25                                  | 100%   |

|                |                         |
|----------------|-------------------------|
| <b>Rule 3.</b> | <b>Premium Rounding</b> |
|----------------|-------------------------|

All premiums shall be rounded to the nearest whole dollar. Amounts that are less than 50 cents shall be dropped. Increase amounts that are 50 cents or more to the next whole dollar.

Rounding procedures to be followed are taken from the Insurance Service Office, Inc. rules.

**RATES:** Round rates, factors and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill, e.g., .1245 = .125

**PREMIUM:** Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$.50 or over the next higher whole dollar.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                           |
|----------------|---------------------------|
| <b>Rule 4.</b> | <b>Maximum 50% Credit</b> |
|----------------|---------------------------|

Maximum 50% credit (discount) applies subject to the following **exclusions**:

First Year in Practice (FYIP is 60%)  
Experience factor is not included  
Schedule factor is not included  
Psychoanalytic Cert. factor is not included  
Risk Management Seminar factor is not included  
Child and Adolescent (C & AP) is not included

|                |                               |
|----------------|-------------------------------|
| <b>Rule 5.</b> | <b>Prior Acts Endorsement</b> |
|----------------|-------------------------------|

The following rating is used when a member converts the claims-made policy to occurrence and does not purchase extended reporting endorsement from the prior carrier. Prior Acts Endorsement will be effective the inception date of the occurrence policy and cover claims reported after the cancellation date which occurred between the retroactive date and cancellation date of the claims-made policy.

This rating will be used in situations where the member's most recent previous carrier was The Psychiatrists' Program and for some reason the member allowed occurrence policy to lapse. The lapsed period cannot exceed one year and must meet acceptable underwriting criteria.

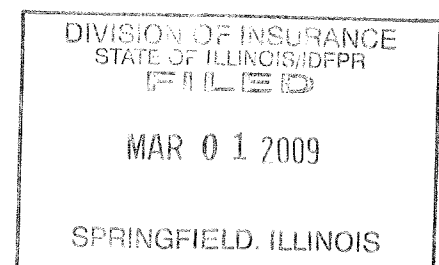
|  |                            |
|--|----------------------------|
| 1 <sup>st</sup> year in CLAIMS MADE Coverage           | 70% of Occurrence Premium  |
| 2 <sup>nd</sup> year in CLAIMS MADE Coverage           | 110% of Occurrence Premium |
| 3 <sup>rd</sup> year in CLAIMS MADE Coverage           | 135% of Occurrence Premium |
| 4 <sup>th</sup> year in CLAIMS MADE Coverage           | 145% of Occurrence Premium |
| 5 <sup>th</sup> year and after in CLAIMS MADE Coverage | 160% of Occurrence Premium |

|                |  |
|----------------|--|
| <b>Rule 6.</b> | <b>Unlimited Tail Coverage (Extended Reporting Period)</b> |
|----------------|--|

Tail premium calculation process is EXACTLY the same process as for Primary Coverage regarding the application of all discounts, surcharges, credits, & debits, including short rate and prorata factors.

The premium is based on the expiring annual premium written under a claims-made contract per the following Extended Claim Reporting Period (ERP) factors:

| <u>Claims-Made Year</u>   | <u>ERP Factor</u> |
|---------------------------|-------------------|
| First Year                | 100%              |
| Second Year               | 125%              |
| Third Year                | 140%              |
| Fourth Year               | 150%              |
| Fifth Year and Thereafter | 175%              |



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

The tail coverage (extended reporting period) endorsement that is issued for the purchased tail or the free tail provides unlimited tail coverage.

**FREE TAIL COVERAGE**

1. **Claims-Made Contract.** Unlimited tail coverage is free in the event of DEATH or PERMANENT DISABILITY, or when a member reaches age 55 or older and has been insured under a Psychiatrists' Program Claims-Made contract for at least 5 consecutive years immediately prior to permanent retirement. It is also free when a member has been insured with the Psychiatrists' Program under a claims-made contract for 10 consecutive or more years provided at the time of cancellation, the annual premium has **not been** experience rated anytime during the ten year period and the insured requested the cancellation of coverage.
2. **Modified Occurrence Contract.** Tail coverage is included at no additional cost upon termination or non-renewal, for any reason.
3. **Claims-Made with Prepaid Tail Contract.** Same as Modified Occurrence Contract.

|                |                                     |
|----------------|-------------------------------------|
| <b>Rule 7.</b> | <b>Experience Rating Guidelines</b> |
|----------------|-------------------------------------|

The following Experience Rating Guidelines applies:

|   |  |
|---|--|
| <b>Severity</b> (Use last five-year experience period prior to renewal application)   |  |
| Indemnity payment \$30,000 to \$50,000  | 10% per claim  |
| Indemnity payment \$50,001 to \$99,999  | 20% per claim  |
| Open or closed claim with Indemnity payment or reserve \$100,000 or more  | 30% per claim plus 10% each \$50,000 increment above \$100,000 |
| <b>Frequency</b> (Open and Closed claims with incurred and/or reserved indemnity and expenses totaling \$10,000 and above). |  |
| Two claims reported within any 12-month period in last three years.   | 25% each claim   |
| Three claims reported within last five years.   | 50% each claim   |
| <b>Liability</b> (Open and closed claims within last 5 years)   |  |
| a. Deviation from standard of care  | 50%-non-renewal  |
| b. Non-cooperation with policy conditions   | 50%-non-renewal  |
| c. Undue familiarity  |  |
| Insured admission   | non-renewal  |
| Settlement by carrier and/or insured  | non-renewal  |

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program</b> |
|----------------|--|

The following schedule rating criteria can be used to establish the adjusted annual premium per participant.

Refer to the following, which discusses the underwriting intention for considering risk characteristics not otherwise contemplated in the base rate.

The rating schedule is intended to create an overall risk profile of the insured. Multiple characteristics should be weighted and evaluated based on measurable statistics, (i.e. practice time, number of patients, length of training or experience or lack thereof, etc)

This program is mandatory and to be administered consistently with each insured or prospective insured.

**Schedule rating characteristics**

*Total adjustment for all items combined cannot exceed +/- 25%.*

**A. PRACTICE SETTING:**

**Detention Facilities:** This includes jails, juvenile centers, detention centers and prisons. Risks associated with this exposure are generally related to frequency rather than severity. Individuals kept in these facilities are typically litigious who spend significant time reviewing case law and figuring out ways to file suits. (Jail House Lawyers). In most **federal** facilities, the employees enjoy sovereign immunity, which means they cannot be sued. Therefore, our physician which is usually a contractor is left as the “deep pocket” and the only person available for potential recovery of alleged damages.

All other type of government or community facilities may or may not have statutes protecting the employees against liability. It will vary by state and county. There may also be protection for these individuals through the facility’s professional liability insurance carrier. Hold harmless indemnification clauses are standard in these contractual relationships. Therefore, it is important to understand the working arrangement between the insured and the facility to measure the degree of increased liability for our participant. **5% debit**

**Patient recruitment practices:** The probability of increased liability is common for those practices utilizing techniques for patient recruitment considered entrepreneurial and absent of credible medical necessity. For example, advertisements made outside of the practice area, bonuses given for patient referrals or profits generated by the care the physicians and other treating professionals rendered to their patients are some examples of techniques that could cause litigation.

The Underwriter should review the entire profile of the participant to determine the extent of increased liability if they are involved in a practice location or facility that engages in this activity. As a result of increased media concentration on these practices, many facilities have taken measures to terminate these

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

practices. However, the amount of time the participant has been associated with this activity should be considered. **25% debit or convert the insured to a claims – made policy form.**

**Home based practice:** An insured working from the home is not uncommon in the practice of psychiatry. Many part-time women, who also are raising a family and want to continue practicing, conduct a small practice from their home. It is however, also understood that these individuals, maintain relationships with the community and medical mental health professionals for continued education and referral capabilities.

The liability for a participant is considered increased when an individual has chosen to work from the home because they cannot obtain clinical or hospital affiliations. The ongoing mentoring of colleagues is not present and the psychiatrist has no peer review of his/her practice activities. This practice profile may require intervention and additional interviewing by PRMS risk management to ascertain the degree of adverse risk. **25% debit**

**Facility has been subject to license or accreditation disciplinary action or federal investigation or prosecution, mass tort litigation or investigative reporting.** If an insured is affiliated with a facility that has recently been subject to any of these issues it is probable that the insured may have an increased liability. The effect of patient knowledge of these actions and media attention could place our insured in a position to be “guilty by association”.

The underwriter should utilize all reference information relative to this facility and determine the degree of involvement of our insured directly related to the facility’s adverse risk characteristics. **25% debit**

**Clinical teaching activities exceed 50% of total practice time:** Although the insured involved in this activity is competent to teach other medical professionals, the increase of patient volume related to this activity is considered an additional liability exposure. **10% debit**

**B. NATURE AND SCOPE OF PRACTICE**

**Treatment of Borderline Personalities and Multiple Personality disorders:** Incidental treatments of these disorders are contemplated in the base rates. However, the underwriter should consider the number of patients and time devoted by the participant to these treatments. In addition, treatment modality must be questioned by the underwriter and discussed with PRMS risk management for unconventional activities by the insured. **25% debit**

**Treatment of pain management:** Patients seeking psychiatric services for the management of pain are almost always associated with other medical treatments or illnesses. For this reason, treatment of pain management can increase the liability where our insured would be involved in a claim along with other treating physicians. The underwriter should discuss the volume of patients and practice time devoted to this activity. In addition, the treatment modalities should be discussed with PRMS risk management to



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |  |
|----------------|--|
| <b>Rule 8.</b> | <b>Schedule Rating Plan – Individual Program (cont'd.)</b> |
|----------------|--|

determine standard of care. Psychiatrists utilizing anesthesia for pain management is to be referred to management for consideration of continued insurability. **25% debit**

**Use of abreaction, rage; sodium amytal, sex and recovered memory therapies:** The base rate does not contemplate treatment by use of these types of therapies. Any insured utilizing these therapies should be discussed with PRMS risk management after the underwriter has secured information from the participant regarding the patient volume and practice time affiliated with these therapies. All insured members utilizing these therapies should be referred to management for consideration of continued insurability. **25% debit**

**Supervision of/Consultation with professionals in 2, 3 and 4 above:** Although the insured may not directly treat patients or use these therapies, they incur vicarious liability for the supervision of professionals who do. In addition, consultation is defined as professional services rendered and does not decrease the insured liability. Therefore, the premium should be increased as a result of this exposure. **25% debit**

**Above average daily patient volume:** An average daily patient volume of 25 is contemplated in the base rates. Any practice where the patient volume is greater should be considered as an increased risk and priced accordingly. **25% debit**

**Risk not contemplated in the base rate:** This category should be used when the underwriter determines that the participant's exposure generates a risk not otherwise discussed in the above criteria and was not contemplated in the usual and customary definition of psychiatric professional services but meets underwriting approval for coverage. Use of this category requires management approval in all cases. **+/-25%**

|                |                       |
|----------------|-----------------------|
| <b>Rule 9.</b> | <b>Group Accounts</b> |
|----------------|-----------------------|

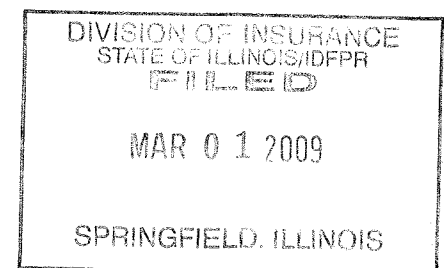
**Eligibility**

The medical groups that will be considered for Coverage B of the policy will be professional corporations, partnerships, or associations operated by behavioral healthcare professionals. The entity will also have psychiatrist affiliation with at least 50 % of the psychiatrists being members in good standing with the American Psychiatric Association.

**Rates**

Each Psychiatrist Insured will be rated in accordance with the individual program rules and rates.

Individual coverage for other behavioral healthcare professionals will be rated as a percentage of the psychiatrist rate for that rating area.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

- Psychologists: .20
- Social Workers .03
- Therapists: .03
- Nurses: .05
- Nurse Practitioner .30

Vicarious liability coverage for the medical group for employed or contracted behavioral healthcare providers not insured under the policy will be priced at 10% of the otherwise applicable premium rate (including discounts).

Medical group premium will be priced based on the following:

| <u>Number of<br/>Insured employees/contractors.</u> | <u>Percentage of<br/>Insured Psychiatrist Base Rate</u> |
|---|---|
| 2-5   | 10%   |
| 6-10  | 15%   |
| 11-20   | 20%   |
| over 20   | 25%   |

The sum of the individuals, medical group and vicarious liability premium will determine the total premium of the medical group.

Non-psychiatrist insureds can share the limit of liability of the medical group.

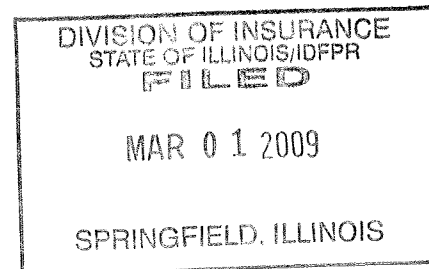
The base rate for each insured sharing the limit with the group entity will be reduced by 10% when the total number of insured psychiatrists in the group exceeds 5 on an annual basis.

The base rate for each insured sharing the limit with the group entity will be reduced by 5% when the total number of insured psychiatrists in the group is 5 or less on an annual basis.

A schedule rating credit/debit can then be applied to the total premium of the medical group in accordance with the Schedule Rating Group Rules, (see attached).

**Limits of Liability**

Refer to policy Limits of Liability Section, Coverage A and Coverage B for application of limits for individual insureds, medical corporations, partnerships, and associations. Refer to the rate schedule for the applicable limits for each state.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                |                                 |
|----------------|---------------------------------|
| <b>Rule 9.</b> | <b>Group Accounts (cont'd.)</b> |
|----------------|---------------------------------|

**Claims-Made**

The retroactive date can be advanced only at the request or with the written acknowledgment of the insured.

**Group Vicarious Liability Surcharge Endorsement**

If a scheduled insured under the group policy terminates coverage and does not elect to purchase the extended reporting endorsement, the group premium will be surcharged 10% of the quoted ERP premium. The surcharge is applicable as a result of the vicarious liability exposure to the group for the professional services rendered by the insured while working on behalf of the group. The surcharge will be waived if the cancelled insured provides proof of prior acts coverage from the new carrier for the period insured under the group policy.

**Other Physician Coverage**

The Program will consider coverage for individual physicians affiliated with the medical group who are not psychiatrists (i.e. internists, pediatricians, family/general practice). The rate for these physicians will be calculated in accordance with the filed class relativity differential (psychiatry to other specialty) of the major medical professional liability insurance carrier in that state. The calculated relativity will then be applied to the base psychiatry rate used in this Program's individual rates.

**Outside Medical Group Practice Activity**

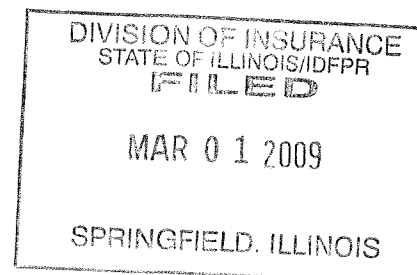
Coverage will be considered for an insured who has a medical practice outside the scope of his/her affiliation with the medical group. The outside practice is subject to underwriting and if accepted will be rated in accordance with the medical specialty rate and total practice hours applicable to all practice activities for which coverage has been provided.

|                 |  |
|-----------------|--|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts</b> |
|-----------------|--|

The following modifications may be applied to recognize special characteristics that are not fully recognized in the basic rate(s) or premium. The maximum credit/debit shall not exceed +/-5. The schedule rating program is mandatory and to be administered consistently for each insured or prospective insured.

**Management (+/- 5)**

Management has demonstrated adequate control and monitoring of the risks and exposures of the organization. The financial condition of the Medical Group is favorable. An example of a Medical Group which would receive a credit would employ a dedicated risk manager and have favorable financial ratios.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |   |
|-----------------|---|
| <b>Rule 10.</b> | <b>Schedule Rating Plan – Group Accounts (Cont'd)</b> |
|-----------------|---|

**Employees (+/-5)**

The applicant has established a continuing professional education program for its employees and encourages certification in their respective specialties. There must be a statement in the employee handbook advocating continuing education. The Medical Group agrees to pay all or some of the tuition fees and/or related educational expenses. Further, the composition of the Medical Group will be 50% or greater of the employee population having board certification or similar advanced degrees for a maximum credit to be granted. If the percentage is lower, but still substantial, and the other criteria described above are met, a lesser credit may be granted. If none of the above, a debit will be made.

**Risk Management (+/-5)**

The applicant has an established and working risk management program to minimize the frequency and severity of claims. A Medical Group which has an incident reporting system, occurrence screening, and other mechanisms to address potential and actual claims would receive a maximum credit. If none of these mechanisms are in place, a debit will be made.

**Medical Records/Informed Consent (+/-5)**

The applicant has a system in effect for concurrent and retrospective review of medical records and informed consent documents. If the Medical Group has a medical records system only or an informed consent system only, no debit or credit is available. If both systems are in effect, a credit is available. If neither system is in effect, a debit will be made.

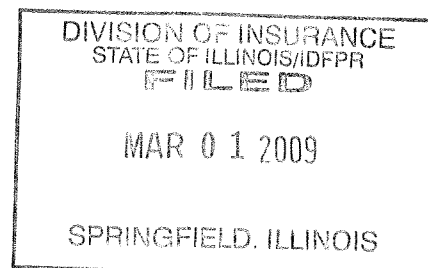
**Performance of experimental procedures (+/-5)**

If the medical group practice includes procedures that are considered experimental, but that are performed within the prescribed guidelines, controlled studies, or : “protocol” established by the manufacturer or similar entity, there will be no debit or credit, however if the experimental procedures are not subject to the protocol, a debit of up to 10% will be applied. Since the underlying program’s rates reflect the assumption that insureds will not be performing experimental procedures, no credit will be given under any circumstances and under this category i.e. there will be no credit if experimental procedures are not utilized.

|                 |                     |
|-----------------|---------------------|
| <b>Rule 11.</b> | <b>Locum Tenens</b> |
|-----------------|---------------------|

A Locum Tenens (“hold the place of”) works in place of a Named Insured or Additional Named Insured, never at the same time. The Locum Tenens doctor must be underwritten in the same specialty classification as the Named Insured or Additional Named Insured. The program will allow Locum Tenens coverage for a maximum total of 45 days each policy year.

There is no charge for this coverage.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA  
PSYCHIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM  
ILLINOIS MANUAL RULES**

|                 |                                |
|-----------------|--------------------------------|
| <b>Rule 12.</b> | <b>Suspension of Insurance</b> |
|-----------------|--------------------------------|

An insured covered under a claims-made policy may request suspension of insurance, due to disability or to accommodate a sabbatical leave of training. The insured will not be covered for claims or suits which arise based on an occurrence within the period of suspension. The insured is entitled to report claims during the period of suspension which arise from occurrences when the policy was in force and not on suspense.

Suspension may be secured for a minimum period of 90 consecutive days and for a maximum of one year. This option is allowed only once every four years except for reason of disability.

Billing for the current quarter(s) is suppressed, and a refund for the quarter(s) or remainder of quarter(s) affected is made to the insured.

The premium is calculated as 25% of the claims-made written premium and then pro-rated for the suspended period.

|                 |                               |
|-----------------|-------------------------------|
| <b>Rule 13.</b> | <b>Policy Minimum Premium</b> |
|-----------------|-------------------------------|

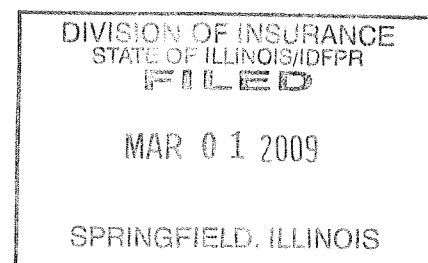
A minimum annual premium of \$1000.00 for any one policy with limits of \$1,000,000/\$3,000,000 or lower will be applied.

A minimum annual premium of \$2000.00 for any one policy with limits of \$2,000,000/\$6,000,000 will be applied.

|                 |   |
|-----------------|---|
| <b>Rule 14.</b> | <b>Quarterly Premium Installment Plan</b> |
|-----------------|---|

**Quarterly Premium Installment Plan:** The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

|                |   |     |                                    |
|----------------|---|-----|------------------------------------|
| First Quarter  | = | 40% |                                    |
| Second Quarter | = | 20% | Due 3 months from policy inception |
| Third Quarter  | = | 20% | Due 6 months from policy inception |
| Fourth Quarter | = | 20% | Due 9 months from policy inception |



NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.  
Psychiatrists Professional Liability Program  
ILLINOIS  
2007

I. Base rate for \$500,000/\$1,500,000 Occurrence Coverage:

Territory 1

(Cook, Dupage, Kane, Lake, Madison, McHenry, St. Clair & Vermillion, Will)

\$20,970

Territory 2 – (Champaign, Jackson, Kankakee, LaSalle, Sangamon)

\$16,760

Territory 3 – (Rest of State)

\$12,154

II. Limits Factors

|                         |       |
|-------------------------|-------|
| \$100,000/\$300,000     | .711  |
| \$200,000/\$600,000     | .789  |
| \$250,000/\$750,000     | .816  |
| \$300,000/\$900,000     | .842  |
| \$400,000/\$1,200,000   | .895  |
| \$500,000/\$1,500,000   | 1.000 |
| \$1,000,000/\$3,000,000 | 1.057 |
| \$2,000,000/\$6,000,000 | 1.353 |

III. Claims-made Conversion Factors (% of occurrence premium)

Number of years Claim-Made Coverage:

|                           |       |
|---------------------------|-------|
| First Year                | 0.315 |
| Second Year               | 0.585 |
| Third Year                | 0.765 |
| Fourth Year               | 0.855 |
| Fifth Year and Thereafter | 0.900 |

IV. Extended Reporting Claims Endorsement

% of Expiring Annual Premium:

|                           |      |
|---------------------------|------|
| First Year                | 100% |
| Second Year               | 125% |
| Third Year                | 140% |
| Fourth Year               | 150% |
| Fifth Year and Thereafter | 175% |

